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ABSTRACT

The five volumes of Rural Conditions and Trends for 1990-1994 contain information and statistical data on economic and social conditions and trends of interest to rural educators and researchers. Articles cover the following areas: macroeconomic trends; employment; unemployment; industry; earnings; income; poverty; population; national economic conditions; national economy links to rural areas; county classifications; the rural workforce; and farm income. A supplement to the Spring 1991 issue discusses financial institutions; rural banks; rural savings and loans; credit unions; rural credit markets; deposit insurance reform; and projected trends. Volume 3 number 1 discusses the loss of better educated people to urban areas. Wider opportunities for jobs requiring higher skills and paying higher wages in metro areas undoubtedly has contributed to the loss of college-educated nonmetro people to metro areas. If rural areas do not find ways to create or attract high-skill, high-wage jobs, then there may be little that can be done to close the earnings, income, and poverty gaps and keep more highly educated residents in rural areas. Volume 4 number 3, the special census issue, compares economic and social changes during the 1980s to those of the 1970s. Educational attainment and earnings of hired farmworkers is also covered. Issues contain extensive data tables, statistical figures, and appendices providing data sources and definitions. (SV)

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ED 396 866

# Rural Conditions and Trends

Economic Research Service • United States Department of Agriculture • Spring 1990 • Vol. 1, No. 1

ERS

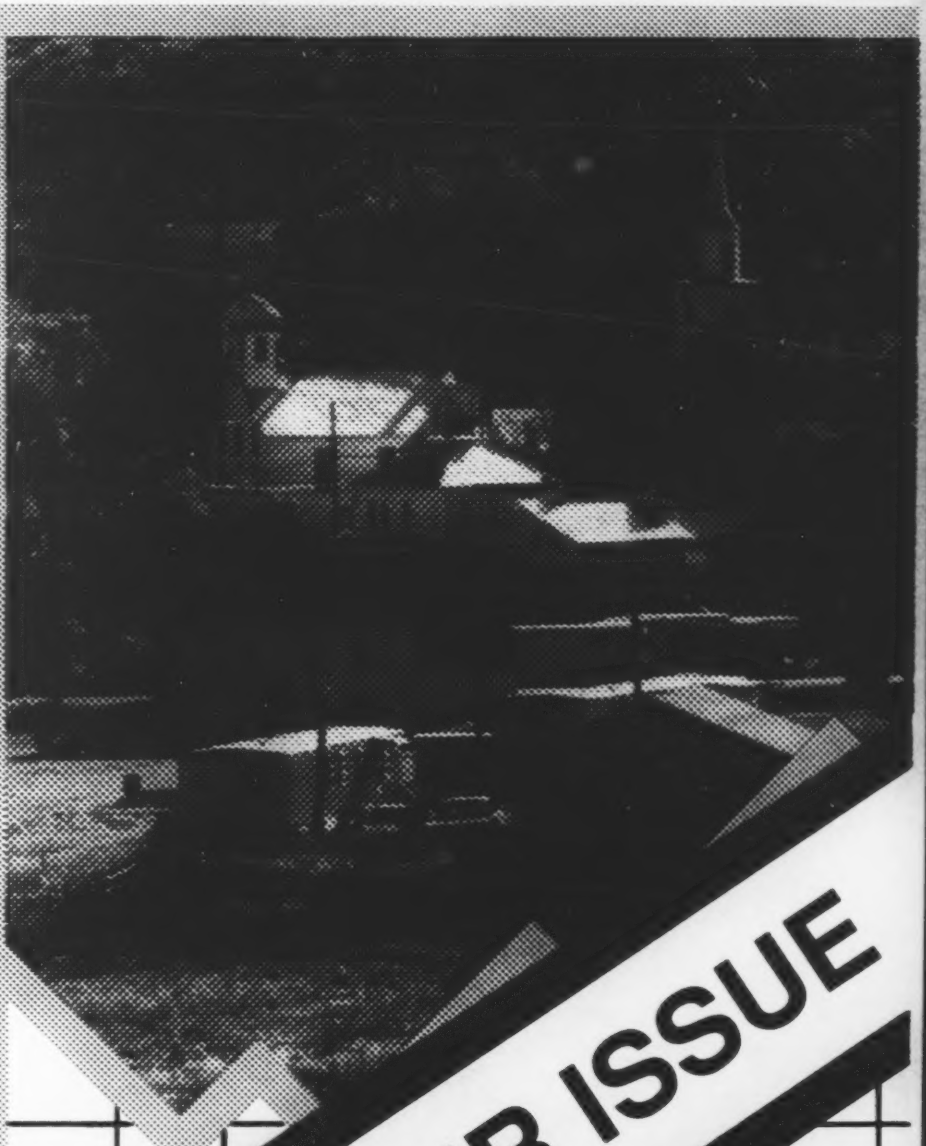
**Employment up as long stall ends**

**Unemployment down: Nonmetro still lags metro**

**Manufacturing jobs fuel rural recovery**

**Nonmetro population still dropping in mid-America but growing on coasts**

**Rural earnings per job shrink slightly: Metro/nonmetro gap grows slightly**



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# Rural Conditions and Trends

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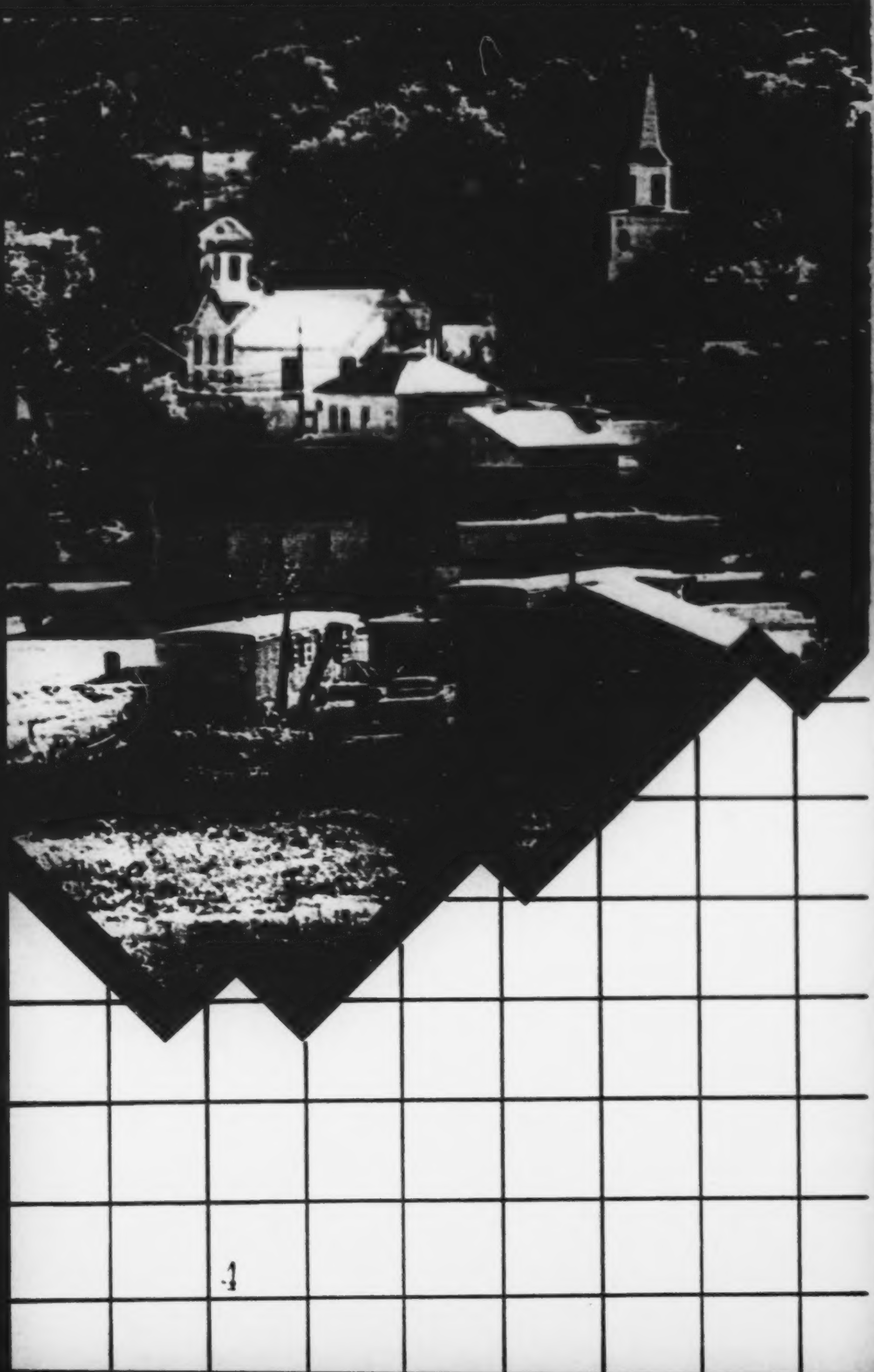

# Rural Conditions and Trends

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# Rural Employment Growth Improves, Earnings Lag

*Moderate improvements in rural employment and unemployment since 1986 have been tempered by slow income growth. Nonmetro areas still significantly lag metro areas in economic well-being.*

Most economic indicators point to moderately improved rural economic conditions since 1986, particularly in 1988 and 1989, paralleling national economic gains. Urban areas continue to lead rural areas in most measures of economic well-being, but differences in unemployment and poverty rates have narrowed substantially. Nonmetro employment grew faster than metro employment during 1989 by some measures, but data for the last quarter of 1989 suggest a slowing of employment growth, perhaps associated with the overall weakness in manufacturing employment.

The unemployment rate in rural areas fell in 1989 to a level unseen since the peak of the expansionary period in 1979. At a low 5.7 percent, moreover, the rural unemployment rate averaged only half a percentage point above the metro rate. Thus, although it took the rural economy much longer than the urban economy to pull out of the 1980-82 recessions, it apparently has gotten back on track after stalling in the middle of the decade.

This recent improvement is confirmed by the improved ability of rural areas to sustain population growth. When the rural economy fared poorly in the mid-1980's, rural people moved out rapidly enough for the population to decrease in over half of all nonmetro counties.

But the most recent data suggest that this trend has moderated significantly since 1986, just as the rural economy began to improve. Rural areas may not be growing as fast as elsewhere, but they are retaining more people than earlier, with substantially lower net outmigration.

This good news about the rural economy and rural conditions should be tempered by the fact that higher employment and lower unemployment have not translated into much improvement in real per capita income. It has been sluggish in both nonmetro and metro areas since 1985. While the gap has apparently narrowed slightly, per capita income in nonmetro areas remains less than three-quarters that of metro areas.

In sharp contrast to the slow growth in income was significant decline in nonmetro poverty rates from 1986 to 1988. The recent employment growth seems to have especially benefited low-income people. For example, the recent employment growth may have allowed laid-off breadwinners to go back to work, or a second wage earner in a family to get a job, raising family income above the poverty threshold. The low wages these workers probably earn, however, do not increase their income enough to produce impressive improvement in per capita income in rural areas.

Real nonmetro earnings per job declined slightly in 1987, just as the nonmetro economy was picking up again. If this decline reflects the introduction of low-wage jobs into the nonmetro economy, as other data suggest, it raises concerns about the quality of rural jobs and the long-term economic well-being of rural people.

Why the nonmetro economy began to improve in the last 2 years is not clear, but we do have some ideas about contributing factors. The developments that helped the national economy in 1986 contributed to the improved rural economy. But, that cannot be the total explanation since the metro portion of the economy so significantly outperformed the nonmetro in the mid-1980's. Manufacturing employment grew significantly in 1986-87, encouraged by the weaker dollar on foreign exchanges. The devalued dollar particularly helped rural areas, where a disproportionate share of routine manufacturing competes directly with overseas producers. The decline in mining employment also slowed somewhat. Significant rural outmigration during the mid-1980's may have taken some of the upward pressure off unemployment, leaving fewer rural job seekers.

Our assessment of conditions in rural areas draws from many sources of information, only a few of which provide data on the last few months. We must, thus, be cautious in making any assumptions about the future of the rural economy. We don't know enough about why it has improved since 1986 to predict with any confidence that the improvement will continue. A strong national economy in the immediate future would be a good sign, but whether that would be enough to sustain nonmetro growth is less than clear.

# Transition in 1989, Sustainable Growth in 1990

*After 3 years of rapid economic activity, rising interest rates cooled the economy in 1989. Following an unusual first quarter, stable-to-slightly falling rates should support expansion in 1990.*

The effects of Federal Reserve (Fed) policy dominated developments in 1989. Tighter monetary policy—slower money and credit supply growth—lowered 1989 economic growth compared with the previous 3 years. Fed tightening, which began in the second half of 1988, was designed to hold down inflation, a goal that appeared to have been accomplished by the end of 1989.

### Why Did the Fed Tighten?

Fears that too-rapid economic growth would generate inflation prompted the Fed's tightening. The gross national product (GNP), adjusted for inflation, grew 4.4 percent in 1988, up from 3.7 percent in 1987. Industrial production growth accelerated, reaching a healthy 5.7 percent in 1988.

As economic activity increased, the civilian unemployment rate dropped from 7 percent in 1986 to 5.5 percent in 1988, the lowest annual average since 1974. A 33-percent decline in the value of the dollar from 1985 to the end of 1988 sparked faster export growth and slower import growth between 1986 and 1988. Real exports posted gains, and trade deficits narrowed.

Stimulated by export growth, capital investments rose dramatically. Business plant and equipment spending surged 10.5 percent in 1988, compared with a 2-percent decline in 1986.

Moderate but rising inflation rates accompanied faster real GNP growth. Consumer price inflation jumped from 1.1 percent in 1986 to 4.4 percent in both 1987 and 1988.

In 1986, interest rates slipped with slower inflation and moderate GNP growth. In 1987, rates rose slowly throughout the first 9 months as inflation crept up and real growth accelerated, but dropped sharply after the October record stock market decline.

### Interest Rates Rise

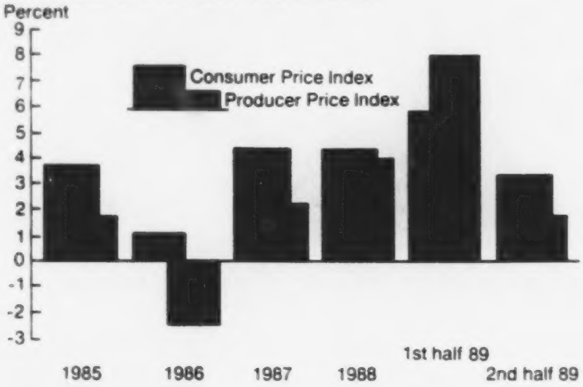
In 1988, analysts began to fear an inflation surge. Faster growth increased credit demands, putting upward pressure on interest rates. In mid-1988, the Fed began slowing money and credit supply growth by reducing bank reserves. By the end of 1988, the Federal funds rate—the interest rate charged between banks for borrowing bank reserves—had risen almost 2 percentage points. Bank prime rates rose with the Federal funds rate.

Inflation continued to climb in the first half of 1989. Producer prices rose an annualized 10.2 percent in the first quarter, while consumer prices increased 6 percent. Rising crude oil prices

## Federal Reserve tightening slows economy . . .

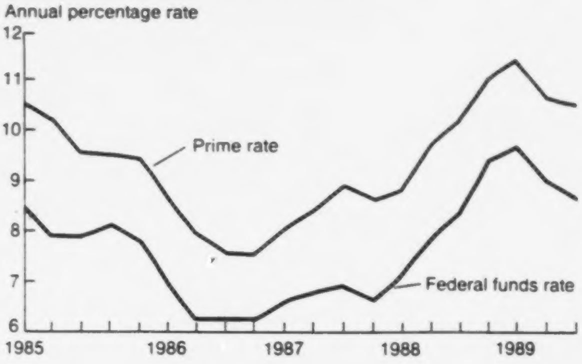
**Rising inflation alarmed the Fed . . .**

**Consumer and Producer Price Indexes**



**Which prompted an interest rate rise. . .**

**Federal funds rate spurs prime rate rise**



caused most of the price hike, although consumer prices were still affected by the 1988 drought. Although lower in the second quarter, annualized inflation was significantly above 1988, at 5.1 percent for producer prices and 4.8 percent for consumer prices.

High inflation in the first half of 1989 intensified concern about a possible wage-price spiral, further pushing interest rates up. By June 1989, the bank prime rate rose to 11.5 percent from 10.5 percent in December 1988.

Due to higher interest rates, the Nation's industrial production slowed to an annual rate of 1.7 percent in the first quarter, compared with 3.5 percent in the second half of 1988. Manufacturing production slowed to an annualized 2 percent, much less than the 5.3-percent rate in the fourth quarter of 1988. Growth in nonagricultural jobs also slowed.

Rising interest rates began to push up the foreign exchange value of the dollar, dimming hopes for continued robust export growth. The expected slide in exports and a slowing industrial sector generated recession forecasts.

When the inflation rate began to subside after the second quarter, the Fed reversed tactics and cautiously began to lower interest rates. A precise estimate of when and by how much interest rates affect the economy is hard to make. Thus, the Fed moved cautiously to avoid aggravating inflation while promoting growth.

Despite the change in Fed policy, the effects of high interest rates persisted, crippling manufacturing, especially durable goods-producing firms. By December, manufacturing production was only 1.1 percent above the previous year, compared with 3.2 percent in June.

Manufacturing jobs dropped with production. Durable goods jobs fell 121,000 between August and November, a sharp contrast to the 91,000-job gain during the same period a year earlier. Overall, goods-producing industries lost 254,000 jobs between August and December. Although service-producing industry job growth slowed, service sector firms seem less sensitive to interest rate movements.

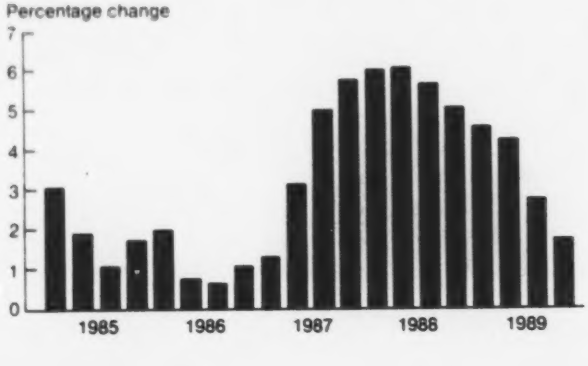
These conditions provided the backdrop for the events of 1990, which should have seen continuing moderate inflation, with slowly declining interest rates, and moderate real growth. Unusually harsh weather drove up energy and fresh food prices in the first quarter, however, causing inflation to jump. An early introduction of spring women's apparel put additional shortrun pressure on inflation. Long-term interest rates rose, reversing some of the declines in the second half of 1989.

Since the price run-up in the first quarter was largely temporary, the most likely scenario has only been postponed, not derailed entirely. Barring a continuation of the unusual events, the rest of 1990 should see 3.5- to 4.5-percent inflation, 2.5- to 3-percent real GNP growth, and stable to slightly falling interest rates.

*[For further information, contact Ralph Monaco or Elizabeth Mack, 202/786-1782.]*

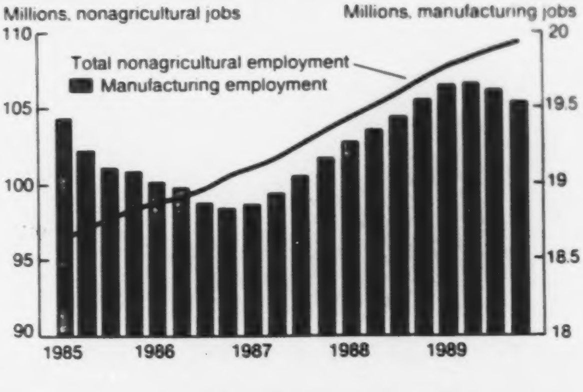
**Curbing industrial production . . .**

**Change in production from the same quarter of the previous year**



**And lowering employment**

**Total and manufacturing employment, quarterly**



# Nonmetro Employment Growth Exceeds Metro

*Between 1988 and 1989, rural employment grew faster than metro employment for the first time since the 1980-82 recession. However, some data suggest that rural growth slowed in the last 3 months of 1989.*

During 1988-89, nonmetro civilian employment grew more rapidly than metro employment for the first time since the 1980-82 recession, according to Census Bureau data from the Current Population Survey (CPS). Nonmetro employment increased an average of 3.7 percent (891,000 workers) between 1988 and 1989. Metro employment rose by only 1.6 percent (1.5 million workers) in the same period, while nonmetro employment grew faster than at any time since 1983-84.

Substantial increases in the nonmetro labor force participation rate suggest that many unemployed may have been rehired during 1988-89 and that growth in the size of the labor force continued. Over 63 percent of the nonmetro civilian population 16 years and older was in the labor force in 1989, an all-time high since the data were first collected in 1973 (app. table 1). Metro areas also posted a record-high labor force participation rate of 67.4 percent in 1989. Nonmetro labor force participation rates are lower, partly because of the higher rural proportions of disabled and other individuals prevented from working because of family obligations.

Although nonmetro growth was substantial for 1989 as a whole, fourth quarter data indicate a slowdown. The extent of this slowdown is not clear because different data show slightly different trends. CPS data indicate a fourth quarter decline in nonmetro employment growth, which still outstripped the growth in metro areas. Preliminary county-level data from the Bureau of Labor Statistics (BLS) that had shown stronger nonmetro than metro growth in earlier 1989 quarters show nonmetro growth to be slower than metro growth in the fourth quarter of 1989. Final BLS revisions may not be as pessimistic as the preliminary numbers. National declines in manufacturing employment in 1989, however, hit nonmetro areas harder than metro areas, taking some of the steam out of the recent improvement in rural employment.

The largest percentage gains in nonmetro employment during 1988-89 were among the 35-54 age group (up 5.7 percent), women (up 4.7 percent), and Hispanics (up 10.3 percent). The largest absolute employment gains were among whites, women, and the 35-54 age group. Metro areas show a similar pattern of employment growth among these groups, but at slower rates.

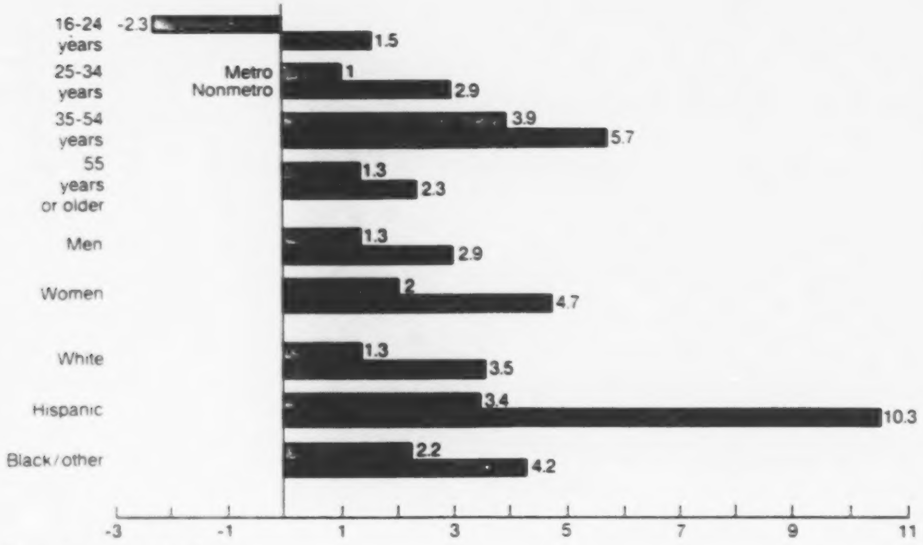
Rural employment finally recovered from the effects of the 1980-82 recession in 1988-89, but the fourth quarter data make continued nonmetro growth uncertain. Should interest rates fall, the economy expand, and manufacturing employment rise in 1990, we expect nonmetro areas to continue their recovery.

*[For further information, contact Tim Parker, 202/786-1540.]*

## Employment growth rates

### Nonmetro employment gains were highest among women, Hispanics, and those 35-54 years old, 1988-89

Percentage change by age, sex, race/ethnicity



Source: Current Population Survey

## U.S. employment growth slows

But, employment in nonmetro areas grew faster than elsewhere in 1989

| Area | 1985-86 | 1986-87 | 1987-88 | 1988-89 |
|---|---|---|---|---|
| | | *Percent change* | | |
| Nonmetro | 1.72 | 0.91 | 2.25 | 3.74 |
| Metro | 2.43 | 3.04 | 2.25 | 1.63 |
| United States | 2.28 | 2.59 | 2.25 | 2.06 |

Source: Current Population Survey.

# Nonmetro Unemployment Continues To Decline

*Nonmetro unemployment rates have fallen dramatically since the 1980-82 recession; however, teenagers, blacks, and Hispanics continued to face high unemployment in 1989.*

Nonmetro unemployment has declined fairly consistently since its peak of 10.1 percent during the 1980-82 recession, according to annual average data from the 1989 Current Population Survey. Nonmetro unemployment dropped from 6.2 percent in 1988 to 5.7 percent in 1989 and has now returned to prerecession levels. Unemployment remains higher in nonmetro areas than in metro areas, where it was 5.2 percent in 1989, about half a percentage point lower than nonmetro areas. Before 1980, nonmetro unemployment was lower.

Bureau of Labor Statistics (BLS) data also show falling unemployment, although the BLS shows a consistently higher nonmetro unemployment rate and a higher metro-nonmetro gap than the CPS. Preliminary BLS data for 1989 indicate that the average nonmetro unemployment rate was 6.4 percent compared with 5 percent for metro areas.

Despite the declines in nonmetro unemployment rates, unemployment remains relatively high among some population groups, particularly minorities and teenagers. In 1989, 15.3 percent of teenagers, 12 percent of blacks, and 9.3 percent of Hispanics in nonmetro areas were looking for work. Nonmetro black teenagers had a particularly high unemployment rate, over 32 percent, in 1989. Except for blacks, these groups have seen the greatest declines in unemployment. Thus, those considered hard-core unemployed seem to be getting jobs as the economy moves toward full employment.

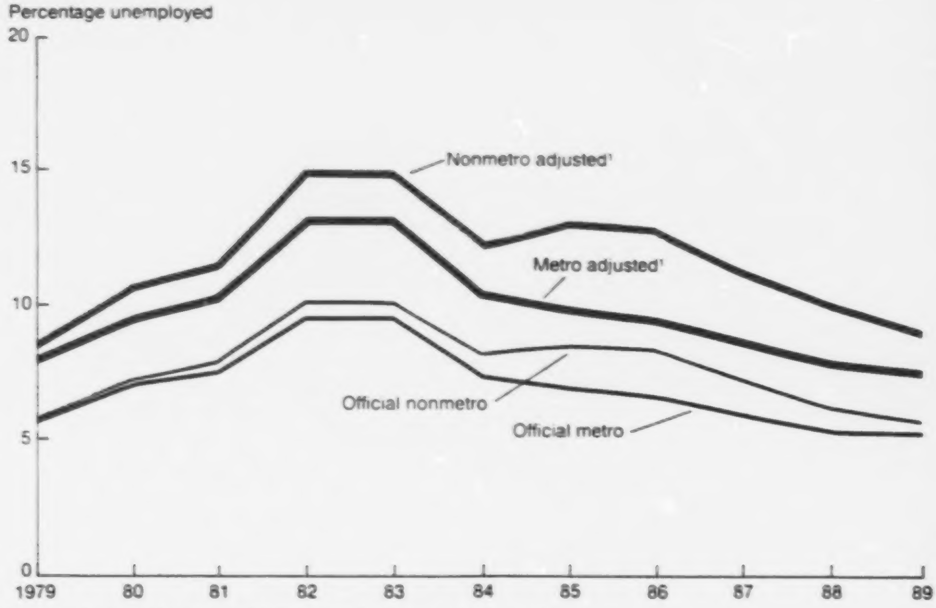
These official unemployment statistics tend to underestimate employment problems, especially in nonmetro areas, in part because they do not consider discouraged workers or the underemployed. The nonmetro adjusted unemployment rate, which includes discouraged workers who have given up looking for work and half of those who work part-time but want to work full-time, was 9.1 percent for nonmetro areas and 7.5 percent for metro areas in 1989. However, the adjusted unemployment rate has fallen faster in nonmetro areas, and the metro-nonmetro gap has narrowed considerably since 1986.

With continuous declines in unemployment, rural America appears to have recovered from the economic effects of the 1980-82 recession. At the same time, the direction the economy will take in the near future is uncertain. Although the economy showed signs of weakness in the last half of 1989, few economic experts are predicting a recession in the next year. Moderate economic growth, curbed inflation, lower interest rates, and some gains in manufacturing production and employment are more likely. If this prediction holds, rural unemployment levels will probably continue to drop during 1990.

*[For further information, contact Leslie A. Whitener, 202/786-1540.]*

## Unemployment at decade low

**1989 nonmetro unemployment down from 1982-83, but still higher than metro levels**



[1] Includes discouraged workers and half of the workers employed part-time for economic reasons.
Source: Current Population Survey.

### Unemployment down for most rural groups

Nonmetro teenagers, blacks, and Hispanics continued to have high unemployment in 1989

| Item | Nonmetro 1988 | Nonmetro 1989 | Metro 1989 |
|---|---|---|---|
| | | *Thousands* | |
| Civilian labor force | 25,409 | 26,209 | 97,660 |
| Unemployed | 1,582 | 1,491 | 5,036 |
| | | *Percent* | |
| Unemployment rate: | | | |
| All civilian workers | 6.2 | 5.7 | 5.2 |
| Adult men | 5.4 | 4.8 | 4.4 |
| Adult women | 5.6 | 5.1 | 4.6 |
| Teenagers | 16.3 | 15.3 | 12.4 |
| White | 5.6 | 5.1 | 4.3 |
| Black | 12.8 | 12.0 | 11.3 |
| Black teenagers | 32.2 | 32.4 | 32.4 |
| Hispanic | 12.7 | 9.3 | 7.9 |
| Adjusted unemployment rate [1] | 10.1 | 9.1 | 7.5 |

[1] Unemployment rate adjusted to include discouraged workers and half of the workers employed part-time for economic reasons.
Source: Current Population Survey.

# Nonmetro Job Growth in Cyclical Industries Increased During 1987

*Employment growth accelerated in nonmetro manufacturing and construction as the U.S. economy expanded in 1987, but service-producing industries accounted for most new nonmetro jobs. The increase in service sector employment and a continued loss of jobs in natural resource industries reflect a basic industrial restructuring in rural America.*

Employment in nonmetro goods- and service-producing industries grew faster in 1987 than during earlier years of the U.S. economic recovery that began after 1982. According to the most recent data on industrial structure released by the Bureau of Economic Analysis (BEA), employment growth in nonmetro goods-producing industries increased 1.5 percentage points to pass the growth rate for metro goods producers. Despite this gain, nonmetro goods-producing industries continued to grow less than nonmetro service-producing industries. The BEA data for 1987 indicate total nonmetro employment growth remained below the metro rate nationally. Preliminary BEA data for 1988, however, show that nonmetro areas gained employment at a rate equal to or slightly above the metro rate. The BEA data for both of these years confirm the trends in employment growth indicated by other data released earlier.

Manufacturing and construction contributed to the stronger employment growth in nonmetro goods-producing industries in 1987 (app. table 2). Farm employment increased slightly in 1987, its first gain since 1983. Mining, although continuing to decline, lost jobs less rapidly than earlier in the decade. Growth in service-producing industries, which provided over three-quarters of all new nonmetro jobs in 1987, was fueled by gains in the service group that includes hotel, business, health, and legal services.

The rate of growth in nonmetro goods- and service-producing employment accelerated in all regions except the West during 1987. The nonmetro Northeast continued to grow most rapidly, and the Midwest, which had the slowest nonmetro growth during 1982-86, expanded at rates equal to those in the South and West. The improved performance of the nonmetro Midwest during 1987 was caused partly by strong acceleration in construction and wholesale and retail trade job growth and partly by manufacturing growth which exceeded rates in all other nonmetro regions.

Manufacturing was the only nonmetro goods-producing industry in which job growth increased or remained stable in all regions. Rural manufacturing benefited from lower U.S. dollar values against foreign currencies after the mid-1980's. The weaker dollar raised import costs and lowered U.S. export prices, increasing demand for U.S. manufactured goods. The weaker dollar, the closing of inefficient plants, and the modernizing of others after the 1980 and 1981-82 recessions partly aided the recovery of labor-intensive, durable goods manufacturers concentrated in nonmetro areas.

Natural resource-based rural industries did not fare as well as manufacturing in 1987. Agricultural and mining industries have been losing employment for many years. Production methods adopted in the 1960's led to increased mechanization of agriculture and, consequently, diminished the relative importance of farm employment in many nonmetro areas. The transformation of agriculture, coupled with declines in farm exports, farm income, and farmland values in the early 1980's, caused many farmers to leave farming. The negative effects of these unfavorable economic conditions diminished by 1987, but farm employment continued to decline in the farm-oriented Midwest. Mining has yet to recover fully from the severe price declines in energy and some metals in 1981. Nonmetro mining lost almost 200,000 jobs between 1982 and 1987.

The continued loss of jobs in natural resource-based industries and the longrun growth in nonmetro service-producing industries indicate a gradual shift away from rural America's dependence on goods producers for employment. Nevertheless, goods-producing industries remain important, providing almost 35 percent of all nonmetro jobs in 1987. Nonmetro areas that continue to depend heavily on basic, cyclical industries—farming, mining, and low-tech manufacturing—will remain vulnerable to U.S. business cycles and shifts in macroeconomic conditions such as domestic interest rates and foreign exchange rates in the 1990's.

*[For further information, contact Alex Majchrowicz, 202/786-1547.]*

## Northeast leads all nonmetro regions in job growth

Nonmetro service-producing industries outpace goods-producing industries

| Region and industry | Metro 1982-86 | Metro 1986-87 | Nonmetro 1982-86 | Nonmetro 1986-87 |
|---|---|---|---|---|
| | *Average annual percentage change* | | | |
| United States | 3.1 | 3.0 | 1.6 | 2.5 |
| Goods-producing | 1.3 | .8 | .2 | 1.7 |
| Service-producing | 3.7 | 3.6 | 2.4 | 2.9 |
| Northeast | 2.7 | 2.6 | 2.7 | 3.8 |
| Goods-producing | .3 | .3 | 1.0 | 2.8 |
| Service-producing | 3.5 | 3.3 | 3.5 | 4.2 |
| Midwest | 2.7 | 3.0 | 1.2 | 2.3 |
| Goods-producing | 1.2 | .4 | .1 | 1.5 |
| Service-producing | 3.2 | 3.8 | 1.8 | 2.8 |
| South | 3.3 | 2.8 | 1.5 | 2.4 |
| Goods-producing | 1.2 | -.2 | — | 1.6 |
| Service-producing | 4.0 | 3.6 | 2.6 | 2.9 |
| West | 3.8 | 3.5 | 1.9 | 2.2 |
| Goods-producing | 2.8 | 3.0 | .2 | 1.4 |
| Service-producing | 4.1 | 3.7 | 2.6 | 2.5 |

— = None or negligible.

Note: Appendix table 2 provides these data in greater detail.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

## How nonmetro industrial employment has changed

Service industry employment grew to almost two-thirds of all nonmetro jobs by 1987

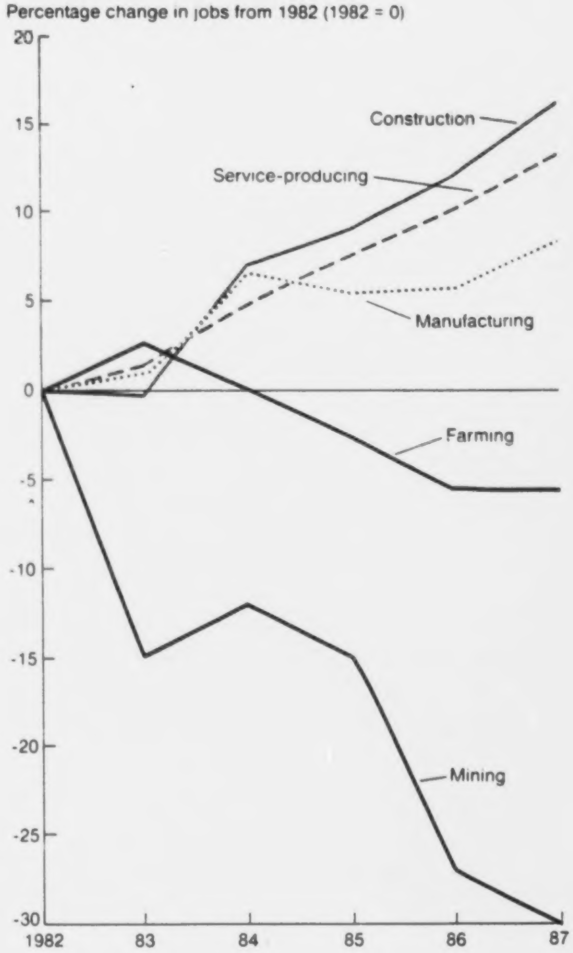
| Item | 1969 | 1979 | 1987 |
|---|---|---|---|
| | | *Number* | |
| Nonmetro jobs | 19,114,718 | 23,754,984 | 25,551,822 |
| | | *Percent* | |
| Goods-producing industries | 42.6 | 39.5 | 34.5 |
| Farming [1] | 15.4 | 12.1 | 10.1 |
| Mining | 1.9 | 2.3 | 1.7 |
| Construction | 4.6 | 5.6 | 5.4 |
| Manufacturing | 20.6 | 19.5 | 17.3 |
| Service-producing industries | 57.4 | 60.5 | 65.5 |
| Transportation and public utilities | 4.1 | 4.2 | 4.1 |
| Wholesale trade | 2.4 | 3.5 | 3.2 |
| Retail trade | 14.5 | 15.1 | 15.9 |
| Finance, insurance, real estate | 3.0 | 4.1 | 5.0 |
| Services | 15.2 | 16.6 | 20.4 |
| Government | 18.2 | 17.0 | 16.9 |

[1] Includes farming, agricultural services, forestry, and fisheries.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

## Nontraditional rural industries biggest gainers

### Construction, service, manufacturing industries led 1980's nonmetro job growth



# Nonmetro Areas Lag Metro in Earnings per Job

*Nonmetro earnings per job lagged metro earnings in 1987 by more than $5,600. Lower average earnings in all goods- and service-producing industries contributed to that gap.*

Nonmetro earnings per job lagged metro earnings throughout the 1980's. In 1982, at the end of the most recent recession, nonmetro earnings per job averaged $16,278 (in 1987 dollars) compared with metro earnings of $21,393 per job, a gap of $5,115. Earnings per job grew less in nonmetro than in metro areas during 1982-86, increasing the gap to $5,613 by 1986. In 1987, nonmetro real earnings per job slipped in both areas, but faster in nonmetro (0.5 percent) than in metro (0.1 percent), further increasing the gap to $5,666.

Lower nonmetro earnings in all industries contribute to the overall difference. Compared with metro areas, earnings per job are particularly low in construction, manufacturing, wholesale trade, services, and finance, insurance, and real estate.

Several factors contribute to the lower real earnings per job in nonmetro industries. Within industries, higher paid, more technical occupations are generally located in metro areas. The large nonmetro-metro gaps in earnings per job in manufacturing, services, and finance, insurance, and real estate may thus be due to the concentration of higher wage administrative, managerial, and professional jobs (such as corporate lawyers and executives, specialized medical practitioners, and international bankers) in metro areas. Manufacturing plants and service industries that employ less skilled, lower wage production and service-delivery workers are more likely to be found in nonmetro areas.

Other reasons for lower nonmetro earnings per job may include a higher proportion of part-time jobs in nonmetro areas and lower nonmetro wage rates. The common belief that the cost of living in nonmetro areas is lower and the history of lower wages in many nonunionized areas of the nonmetro South probably contribute to lower nonmetro pay scales. Also, limited employment options in some nonmetro areas may allow employers to offer lower wages because they don't have to compete with other employers for workers.

Because nonmetro areas have more jobs in goods production, the gap is even smaller than it would be otherwise. Nonmetro jobs are more concentrated in manufacturing and mining, industries with higher than average earnings per job. These offset lower earnings in farming, an industry with low earnings per job, which accounts for many more nonmetro than metro jobs. Furthermore, services, another low earnings industry, accounts for many more metro than nonmetro jobs. If nonmetro jobs were industrially distributed the same as metro jobs, but maintained their earnings per job in each industry, the metro-nonmetro earnings gap would be even wider.

*[For more information, contact Linda M. Ghelfi, 202/786-1547.]*

**Real earnings per job slid in 1986-87**

Nonmetro areas trailed metro areas by almost $6,000

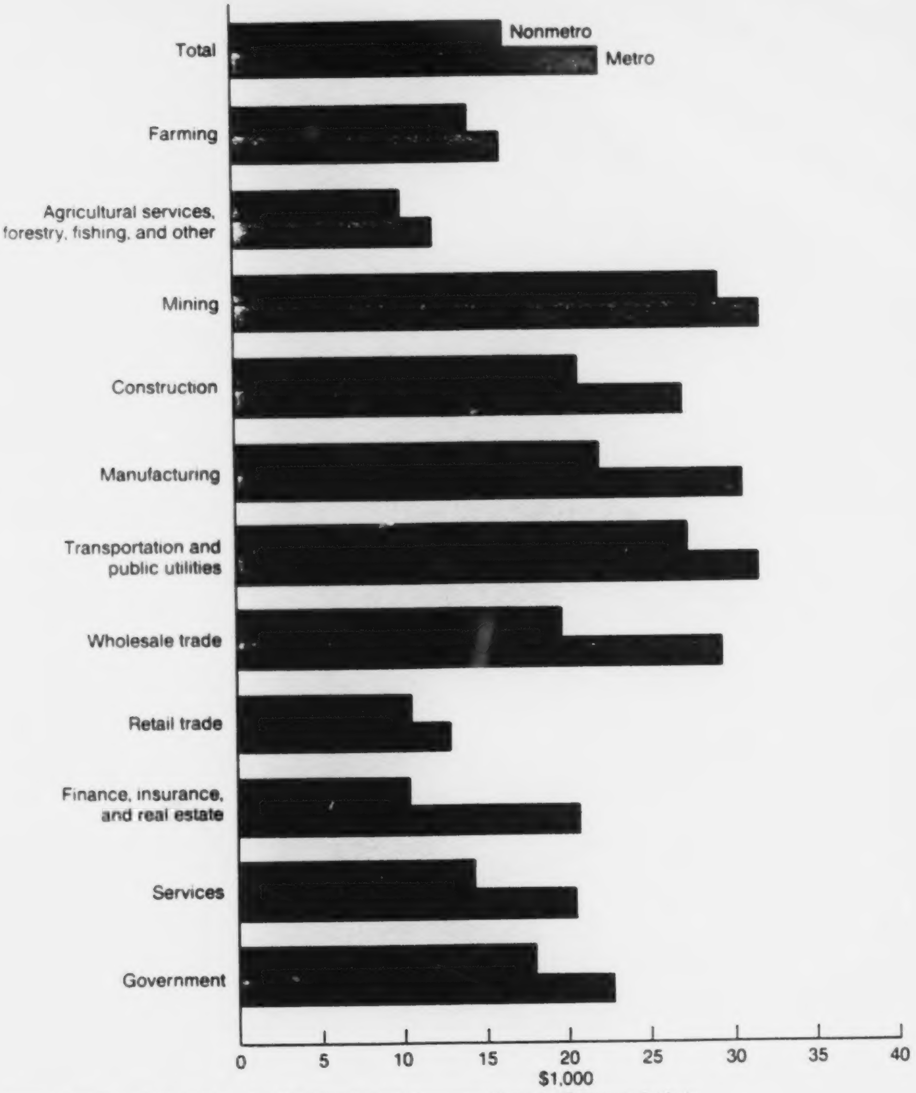
| Area | 1982 | 1986 | 1987 | Average annual change: 1982-86 | 1986-87 | 1982-87 |
|---|---|---|---|---|---|---|
| | *1987 dollars* | | | *Percent* | | |
| United States | 20,346 | 21,342 | 21,304 | 1.2 | -0.2 | 0.9 |
| Nonmetro | 16,278 | 16,823 | 16,738 | .8 | -.5 | .6 |
| Metro | 21,393 | 22,436 | 22,404 | 1.2 | -.1 | .9 |
| Metro/nonmetro earnings gap | 5,115 | 5,613 | 5,666 | n.a. | n.a. | n.a. |

n.a. = Not applicable.

Source: Computed using data from the U.S. Department of Commerce, Bureau of Economic Analysis.

## Earnings gap persists

### Nonmetro earnings per job lagged metro earnings in all industries in 1987



Source: Computed using data from the U.S. Department of Commerce, Bureau of Economic Analysis.

# Nonmetro Income Growth Sluggish

*Nonmetro income continues to improve slowly, but a substantial gap between metro and nonmetro incomes persists. Rural blacks are especially disadvantaged.*

Real per capita income in nonmetro areas has improved very slowly over the last few years, increasing from $9,347 in 1985 (1988 dollars) to $10,084 in 1988, according to the annual Current Population Survey (CPS). Much of that growth came between March 1985 and March 1986, after which it slowed.

Several factors contribute to the sluggish growth in per capita income among nonmetro residents. First, per capita income growth has stagnated nationwide. Second, low-wage, labor-intensive production and consumer services jobs tend to concentrate in nonmetro areas. Although nonmetro employment growth, which has been relatively strong since 1987, enables more residents to work, many of the new jobs are in low-wage industries and therefore probably low-skill occupations.

While a substantial metro-nonmetro income gap persists, slight improvement occurred between 1986 and 1988. During 1985-87, nonmetro per capita income was just over 72 percent of metro per capita income. Data for 1988 suggest that the metro-nonmetro per capita income gap has diminished slightly; nonmetro per capita income ($10,084) has risen to 73.5 percent of metro ($13,712).

The metro-nonmetro income differences largely reflect differences in employment opportunities. Unemployment continues to be higher, and earnings per job and wages are lower in nonmetro areas. Nonmetro areas also have fewer opportunities for year-round and full-time employment. The disproportionate share of low-wage jobs found in nonmetro areas also contributes to the income gap.

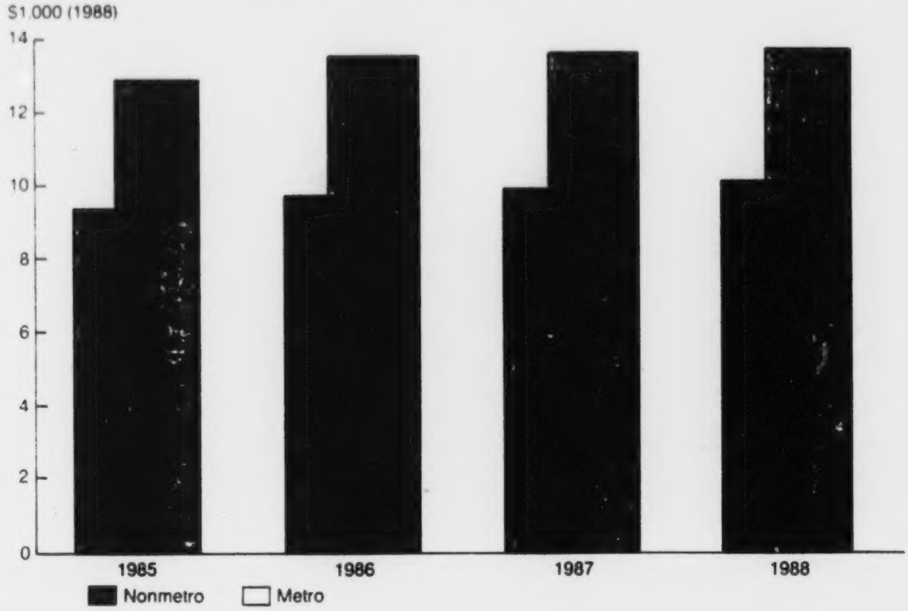
In nonmetro areas as in metro, blacks and Hispanics realize much lower per capita incomes than do whites. In 1988, nonmetro per capita income for whites, blacks, and Hispanics was $10,605, $5,698, and $6,033. The economic disadvantage in nonmetro areas reflected in the metro-nonmetro income gap is particularly pronounced for blacks. Nonmetro blacks receive only 65 percent of the per capita income of their metro counterparts. In contrast, per capita income for nonmetro whites is almost 73 percent that of metro whites, and nonmetro Hispanics receive 75 percent as much as metro Hispanics.

Nonmetro residents fare somewhat better economically than they did 4 years ago. However, the increase in per capita income has been small, and nonmetro residence continues to translate into relative economic disadvantage, particularly for blacks. This reality could be particularly detrimental to areas containing high concentrations of blacks. If past is any predictor of future, poor economic performance of nonmetro areas as measured by per capita income may encourage outmigration of the labor force to metro areas, leaving behind comparatively dependent populations and impeding economic progress.

*[For further information, contact Deborah Tootle, 202/786-1547.]*

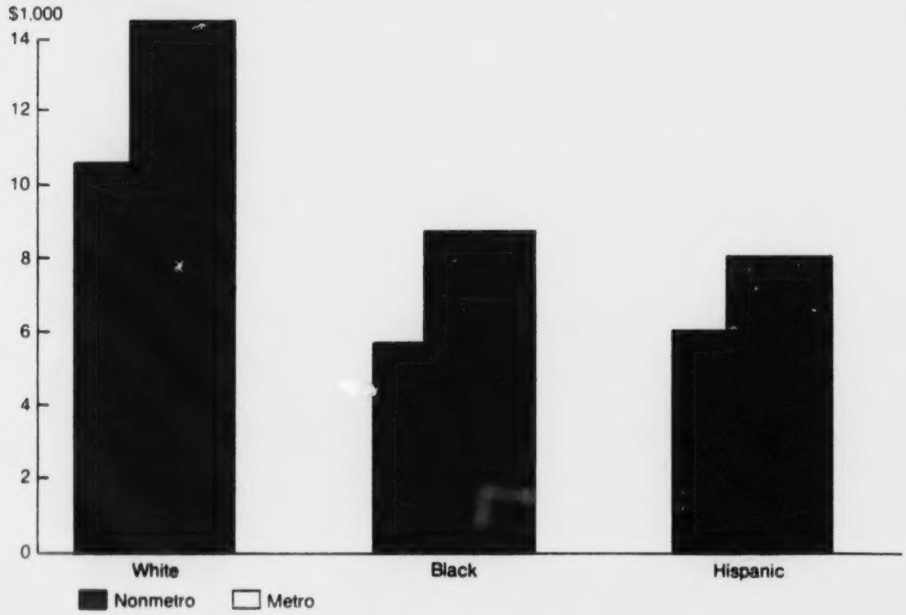
## Income gap persists . . .

### Per capita income up slightly, but metro residents outpace nonmetro dwellers



## Along with ethnic gap

### Per capita income lowest for nonmetro blacks in 1988



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# Poverty Severe in Nonmetro Areas

*The nonmetro poverty rate fell 2 percentage points between 1986 and 1988. Despite this progress, nonmetro poverty remains higher than before the recessions of the early 1980's and higher than in metro areas.*

Between 1986 and 1988, the nonmetro poverty rate fell by about 2 percentage points to 16 percent. The poverty rate in metro areas, in contrast, was more stable. Various population groups in nonmetro areas also experienced falling poverty rates. The decline, however, was not statistically significant for blacks, the elderly, and families headed by women.

One factor in the decline in the nonmetro poverty rate was the falling nonmetro unemployment rate. Nonmetro poverty appears to be more sensitive than metro poverty to fluctuations in unemployment. The nonmetro poor include proportionately more workers who escape poverty when jobs are more plentiful and wage rates rise. About two-thirds of the variation in the nonmetro poverty rate between 1973 and 1988 reflects variation in the unemployment rate. For metro areas, the corresponding figure is only 28 percent.

A falling unemployment rate would be expected to benefit "other" families, 90 percent of whom are married-couple families in nonmetro areas. Married-couple families with a husband and wife of working age generally have two potential adult workers. Even if one spouse stays home to take care of children or keep house, the other spouse is free to look for work. The number of poor other families in nonmetro areas declined by about 225,000 between 1986 and 1988. The change in the number of poor families headed by women was negligible and statistically insignificant.

The recent decline in nonmetro poverty rates does not mean that rural poverty has ceased to be a problem in rural areas. The nonmetro poverty rate remained 3.8 percentage points above the metro rate in 1988. The nonmetro poverty rate has also been consistently close to the high rate for central cities. The overall nonmetro poverty high rate was 2.3 percentage points higher in 1988 than in 1979, just before the severe recessions of the early 1980's.

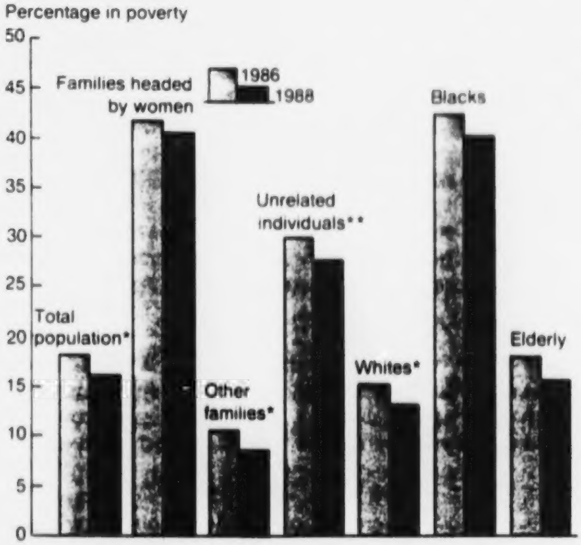
Each population group had a higher poverty rate in nonmetro than metro areas in 1988. Blacks and families headed by women had particularly high poverty rates in nonmetro areas, about 40 percent, and 28 percent of nonmetro unrelated individuals were poor in 1988. More than 30 percent of poor unrelated individuals in nonmetro areas are elderly women living alone.

The recent decline in the nonmetro poverty rate represents the first real progress against rural poverty since the recessions of the early 1980's. High unemployment during those recessions caused both metro and nonmetro poverty rates to escalate. In 1981, newly tightened eligibility requirements for welfare payments contributed to the poverty problem. Prices increased more rapidly than income during the recessions. Thus, the official poverty levels, which are adjusted by the Consumer Price Index, rose faster than income, and the portion of people with income below the poverty level increased.

*[For further information, contact Robert Hoppe, 202/786-1547.]*

## Nonmetro poverty lower in 1988 than in 1986 . . .

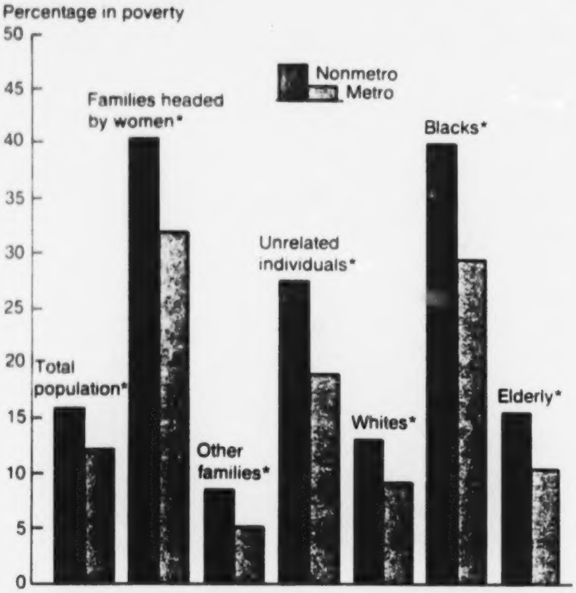
**Blacks and families headed by women most likely to live in poverty**



*Difference significant at the 95-percent level.
**Difference significant at the 90-percent level.
Source: Current Population Survey.

## But still higher than metro poverty

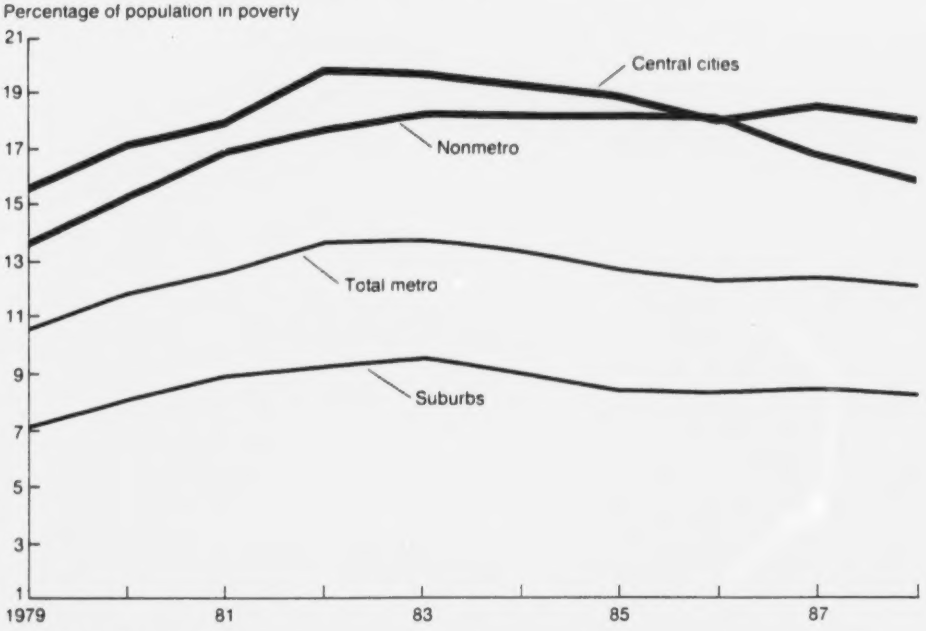
**Metro-nonmetro poverty gap especially high for blacks, families headed by women, and unrelated individuals**



*Difference significant at the 95-percent level.
Source: Current Population Survey.

## U.S. poverty rates

**Nonmetro poverty drops sharply but still high in late 1980's**



Source: Current Population Survey.

# Nonmetro Population Growth Improves

*Nonmetro population growth began to increase in 1986, edging up slightly each year to 1988, after its steep slide in the first half of the decade. Even in this period of recovery, there was widespread variation, with counties that depend on mining and agriculture losing population and retirement counties gaining at a rate well above the national average.*

Nonmetro population growth has begun a slow recovery, after declining during 1980-86. In 1980-82, nonmetro population growth slowed to 0.8 percent per year, while the metro population showed little change in its annual 1-percent growth rate.

The recession of the early 1980's slowed both metro and nonmetro population growth during 1982-84. By 1984-86, the metro population was recovering from the recession, growing at its fastest annual rates for the decade. Nonmetro growth, however, continued its slump because of lingering effects of the farm crisis and the decline in oil and mining, both extractive industries with substantial nonmetro employment. Metro areas grew at more than 2.5 percent during 1984-86, but nonmetro areas, at their lowest point of the 1980's, grew by less than 0.5 percent.

According to recent data, however, the nonmetro population growth began to pick up in 1986, reaching a growth rate of 0.8 percent for 1986-88. Slightly more than half of all nonmetro counties declined in these 2 years, but those counties contained only 40 percent of the nonmetro population and collectively lost an estimated 486,000 people. Twenty percent of nonmetro counties grew faster than the national rate of 1.9 percent, adding an estimated 764,000 to the nonmetro population between 1986 and 1988.

The regions with the greatest loss during 1986-88 were in the southern Appalachian coal fields and southern Great Plains. Each lost both metro and nonmetro population, with the nonmetro populations declining more rapidly. Both regions depend on agriculture and mining employment. Nonmetro counties that earned 20 percent or more of their income from mining lost 3 percent of their total population during 1986-88.

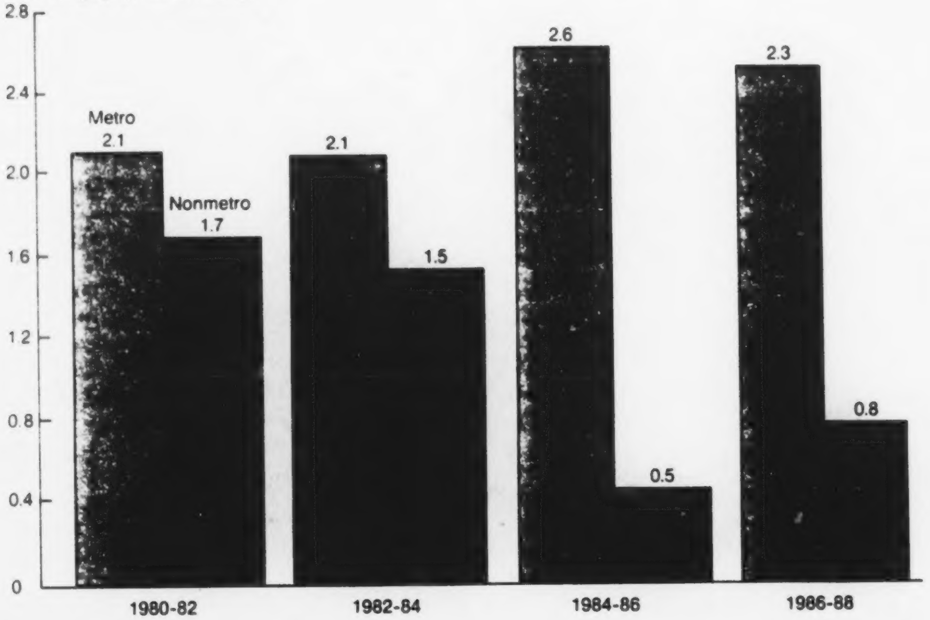
The fastest growing nonmetro counties during 1986-88 were in Florida and the Southwest. The nonmetro parts of both these areas grew at more than five times the national rate. These counties tend to be adjacent to metro areas, and many are retirement destinations. Nonmetro counties considered to be retirement areas are scattered throughout the United States and, as a whole, grew by more than 3 percent in the same period.

Whether the recent recovery in nonmetro growth continues will depend largely on the economies of the more isolated nonmetro counties. Counties not adjacent to a metro area rely heavily on manufacturing, agriculture, and extractive industries for the health of their local economy. Nonmetro counties adjacent to metro areas have access to metro employment opportunities and are growing at a faster rate than nonadjacent counties. However, adjacent counties' growth and their reliance on metro employment increase the likelihood that some of them will be redefined as suburban metro counties after the 1990 Census.

*[For further information, contact Margaret Butler or Linda Swanson, 202/786-1534.]*

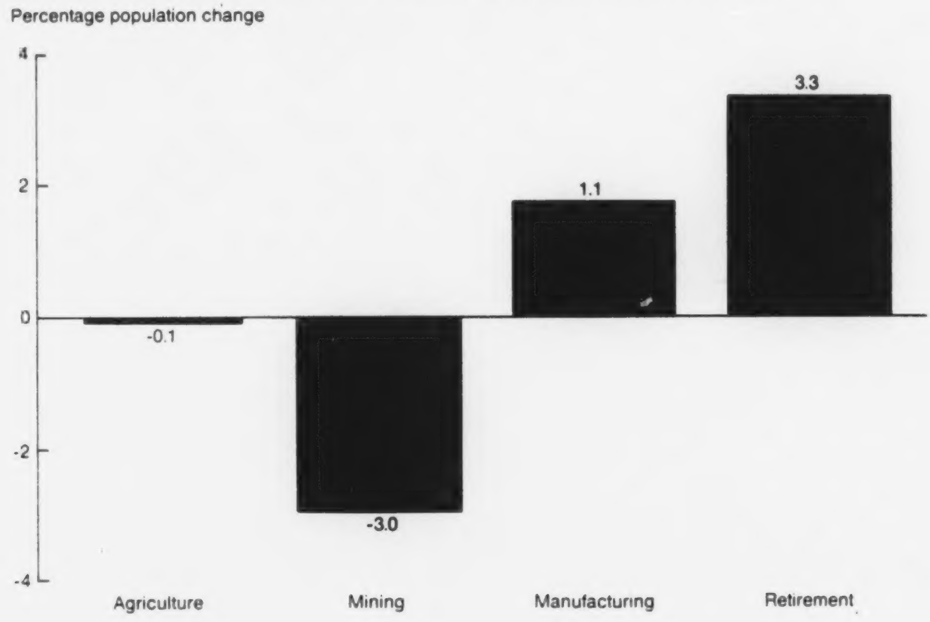
## Nonmetro population growth rate up

### Nonmetro growth rates have begun to recover slightly after sharp downward trend in mid-1980's



## Local economy drives population change

### Retirement-destination nonmetro counties grew most during 1986-88



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# Nonmetro Areas With Urban Settings Remain Attractive in the 1980's

*People moved out of remote nonmetro counties at an increasing rate as the 1980's progressed. However, during 1986-88, counties near metro areas became even more attractive to migrants. Nonmetro retirement counties continue to have the highest gain from net migration of any type of county in the Nation.*

A prolonged period of net outmigration for the nonmetro United States began in 1983 and continued into 1988, the last year for which county migration data are available. During 1983-88, nonmetro counties averaged a 0.1-percent loss each year due to net outmigration. This loss was a product of outmigration from more remote nonmetro counties, offset to a significant extent by inmigration to nonmetro counties next to metro areas.

The more remote counties lost more than 1 percent of their population to migration between 1986 and 1988. Nonmetro counties adjacent to metro areas, however, attracted more migrants than they lost throughout the decade, rising to 0.6 percent during 1986-88.

The expressed desire for a rural setting in which to live and raise children, held as one of the reasons for the "rural renaissance" of the 1970's, may not have entirely disappeared in the 1980's. Among nonmetro counties adjacent to metro areas, those least densely settled (no places over 2,500 in population) had a numerical net gain of migrants nearly equal to that of more densely settled counties. Because rural counties have a relatively small population base, the movement of people into sparsely settled counties resulted in a net migration rate three times as high, at 1.5 percent, as the rate of densely settled counties.

One reason for the net loss in many nonadjacent counties is their economy. An almost solid block of nonmetro counties with net outmigration runs from north to south in mid-America, where only scattered cities offer alternate sources of employment to shrinking employment in the traditional resource-oriented rural industries. The northern Great Plains depends on agriculture and ranching, and the economies of Montana, Idaho, and Wyoming revolve around agriculture, mining, and timber. Counties from the southern Great Plains to west Texas rely heavily on agriculture and mining, including oil extraction.

Retirement and recreation areas generally found in scenic and warm regions continue to attract migrants. Their success in attracting migrants spurred growth along the Pacific coast, in the Southwest and Florida, and in the Ozarks, Blue Ridge, and Smoky Mountains.

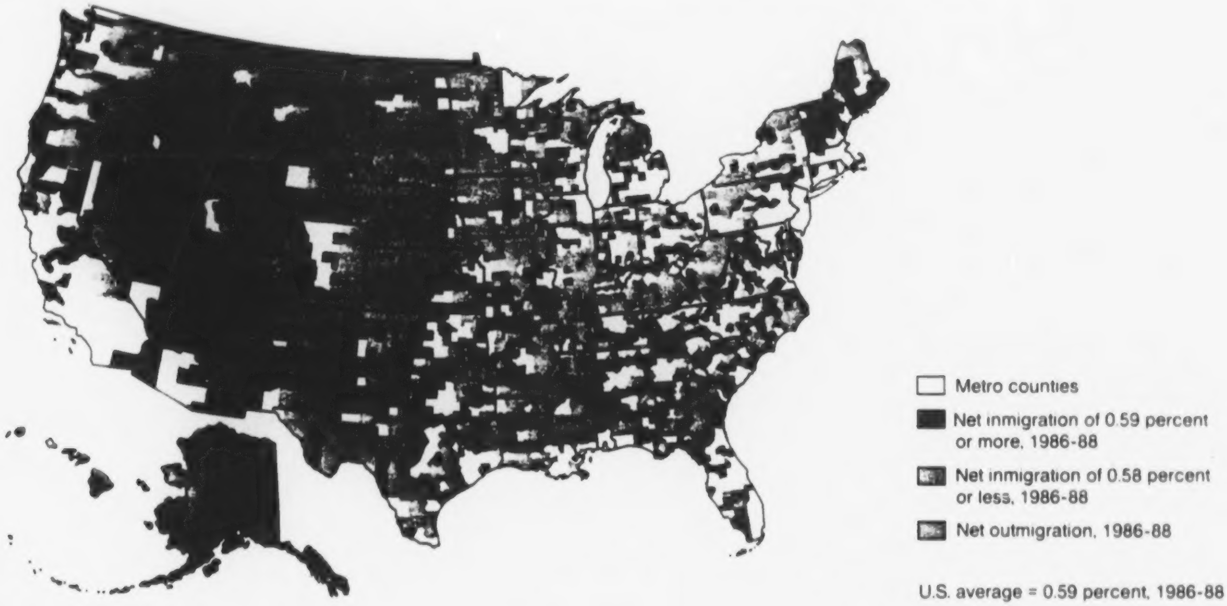
Although nonmetro counties continue to lose population through outmigration, the rate is quickly approaching zero, according to recent sample data for migration from March 1988 to March 1989. The rate of net migration loss remains highest for young adults age 20-24. That nonmetro areas gained more migrants age 55 and over than they lost confirms the fact that many Americans still favor rural areas as places to retire.

Rates of net outmigration for nonmetro areas were higher in the 1980's for people with more education. In 1988-89, for the first time since mid-decade, more adults (age 25-64) with a high school education or less moved into nonmetro areas than moved out. The rate of loss slowed only slightly among the college-educated, indicating that the difficulty nonmetro areas have had in attracting and retaining highly educated people persists.

*[For further information, contact Linda Swanson or Margaret Butler, 202/786-1534.]*

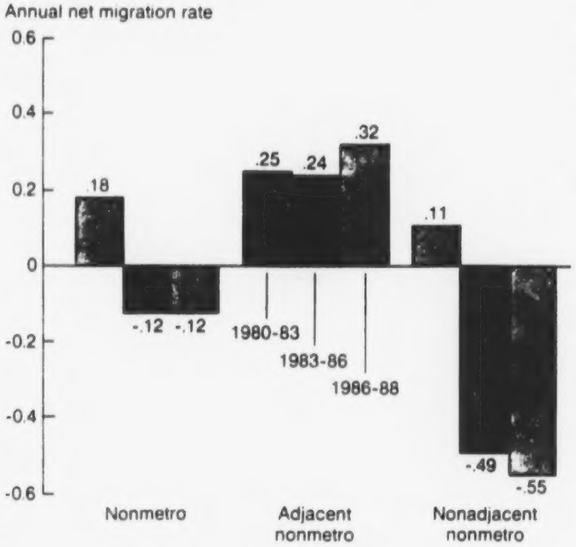
## Nonmetro losses from migration widespread

**Nonmetro counties in heartland were especially hard hit by residents moving away**


☐ Metro counties
■ Net inmigration of 0.59 percent or more, 1986-88
▨ Net inmigration of 0.58 percent or less, 1986-88
▨ Net outmigration, 1986-88
U.S. average = 0.59 percent, 1986-88

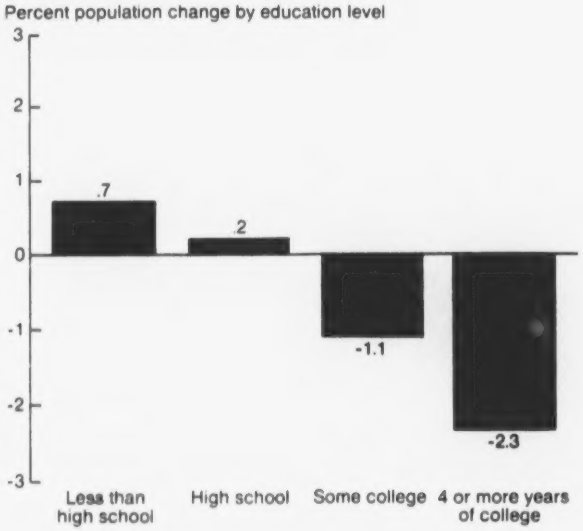
## Movement out of nonmetro counties continues

**Nonmetro net migration loss since 1983 has been driven by diminishing popularity of remote areas**



## Nonmetro areas lose better educated people

**Nonmetro areas attracted adults with a high school education or less during 1988-89, but lost those with college education**



# Appendix I: Data Sources

Assessing the changing conditions and trends in rural America is complicated by the need to use a variety of data sources for monitoring demographic and economic patterns. Because different sources of data are intended for different purposes and employ different definitions and collection methods, they sometimes produce contradictory statistics and may lead to different interpretations. Describing rural conditions, therefore, necessitates piecing together general trends from many sources of information.

## Macroeconomic Conditions

The economic indicators used to monitor macroeconomic changes in the U.S. economy are derived from Federal sources. Measures of inflation, including the Consumer and Producer Price Indexes, and employment and unemployment data are developed by the U.S. Department of Labor's Bureau of Labor Statistics (BLS). National income and product account information on capital investment, gross national product, and net exports is produced by the Bureau of Economic Analysis (BEA), U.S. Department of Commerce. Information relating to monetary policy, including changes in interest rates and foreign exchange rates, and data on industrial production are furnished by the Federal Reserve Board of Governors.

## Employment and Earnings

Data on nonmetro employment, unemployment, and earnings come from three sources. The monthly Current Population Survey (CPS), conducted by the Bureau of the Census for the U.S. Department of Labor, provides detailed information on the labor force, employment, unemployment, and demographic characteristics of the metro and nonmetro population. The CPS derives estimates based on a national sample of about 58,000 households that are representative of the U.S. civilian noninstitutional population 16 years of age and over. Labor force information is based on respondents' activity during 1 week each month.

BLS county-level employment data are taken from unemployment insurance claims and State surveys of establishment payrolls which are then benchmarked to State totals from the CPS. Thus, at the national and State levels, annual average BLS and CPS estimates are the same. The BLS data series provides monthly estimates of labor force, employment, and unemployment for individual counties.

The BEA employment data, unlike the household data collected by the CPS and BLS, provide establishment data on the number of jobs rather than the number of workers. The BEA data are taken primarily from administrative reports filed by employers covered under unemployment insurance laws and from information obtained from the Internal Revenue Service and the Social Security Administration. Thus, jobs and earnings for these jobs are counted at the place of work and are based on a virtual universal count rather than a sample. The BEA data provide detailed information on the number and type of jobs, earnings by industry, and sources and amounts of income at the county level. A shortcoming of the BEA data is the 2-year lag between when they are collected and when they are available for analysis.

Each of these data sets has its advantages and disadvantages. The CPS furnishes detailed employment, unemployment, and demographic data for metro and nonmetro portions of the Nation. The BEA provides estimates of the number of jobs and earnings by industry for individual county areas. BLS provides less detailed employment data than the other two series, but offers very current and timely employment and unemployment information at the county level. While these data sources are likely to provide different estimates of employment conditions at any point in time, they generally indicate similar trends.

## Income and Poverty

Each March, supplemental questions are added to the CPS to obtain information on money income and poverty status of families and persons in the United States during the previous year. Data are collected for the amount and sources of income, including wage and salary earnings, self-employment income, and transfer payments. Information on family size and income is used to estimate the number of families and individuals in poverty based on official guidelines issued by the Office of Management and Budget. Demographic data are available to examine the distribution of income and the characteristics of the poverty populations in metro and nonmetro areas.

## Population Growth and Migration

Population counts, births, deaths, and net migration are estimated at the county level by the Bureau of the Census. Rates of population change and of net migration are calculated using this county estimates data series. Characteristics of migrants are drawn from the March CPS.

**Adjacent and nonadjacent nonmetro counties:** Nonmetro counties that are physically adjacent to one or more metro areas and have at least 2 percent of the employed labor force commuting to work in a central metro county. All other nonmetro counties are classified as nonadjacent.

**Adjusted unemployment rate:** The number of unemployed people, discouraged workers who have given up looking for work, and half of the workers who work part-time but want full-time work as a percentage of the civilian labor force plus discouraged workers.

**Consumer Price Index (CPI):** A measure of the average price level of a basket of consumer goods and services at the retail level for a specific period compared against a benchmark period.

**County type classification:** A USDA classification of nonmetro counties by principal economic activity or demographic base, such as farming-, manufacturing-, or mining-dependent, persistent poverty, or retirement destination, among others.

**Earnings:** The sum of wages and salaries, other labor income, and proprietor's income. Wages and salaries include commissions, tips, bonuses, and in-kind payments that represent income to the employee. Wages and salaries are measured before deductions such as Social Security contributions and union dues. Other labor income consists primarily of employer contributions to private pension and welfare funds, including privately administered workers' compensation funds.

**Family:** Two or more people residing together who are related by birth, marriage, or adoption.

**Foreign exchange rate:** The rate at which one currency is traded for another. The Federal Reserve publishes a measure of the overall U.S foreign exchange rate based on the rates of the 10 major U.S. trading partners.

**Goods-producing industries:** Farming, mining, construction, manufacturing, and the combined category of agricultural services, forestry, fishing, and other industries.

**Gross national product (GNP):** The dollar amount of final goods and services produced by the United States. GNP is the sum of consumer spending, Federal Government purchases of goods and services, business investment, and exports less the amount of imports. This statistic is reported quarterly but is revised in each of the 2 months following the initial release. Nominal GNP measures final goods and services at current prices. Real GNP measures final goods and services at 1982 prices to adjust for inflation.

**Income:** The sum of the amounts of money received from (1) money wages or salary; (2) nonfarm self-employment; (3) farm self-employment; (4) Social Security or railroad retirement; (5) Supplemental Security Income; (6) public assistance or welfare payments; (7) interest, dividends, and rental; (8) veterans payments or unemployment and workers' compensation; (9) private or government employee pensions; or (10) alimony, child support, and other periodic income.

**Inflation rate:** The percentage change in a measure of the average price level. Changes are reported on a monthly basis and are stated as annual rates for longer term comparisons. The two major measures of the average price level are the Consumer and Producer Price Indexes.

**Labor force participation rate:** The civilian labor force as a percentage of the civilian noninstitutional population 16 years and older.

**Metro areas:** Metropolitan Statistical Areas (MSA's), as defined by the Office of Management and Budget, include core counties containing a city of 50,000 or more people or containing several smaller cities totaling 50,000 or more people and a total area population of at least 100,000. Additional contiguous counties are included in the MSA if they are economically and socially integrated with the core county. Metro areas are divided into central cities and areas outside central cities (suburbs). Throughout this publication, urban and metro have been used interchangeably to refer to people or places within MSA's.

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## Appendix II: Definitions

**Net migration:** The number of people who moved into an area minus the number of people who moved out of that area over a given period of time. Net outmigration indicates that more people moved out than in. Net inmigration means that an area gained more migrants than it lost.

**Nonmetro areas:** Counties outside of metro area boundaries. Throughout this publication, rural and nonmetro are used interchangeably to refer to people and places outside of MSA's.

**Per capita income:** The mean, or average, income available to every man, woman, and child in a particular group. It is computed by dividing total income of the group by the population in that group.

**Poverty:** A person is in poverty if his or her family's money income is below the official poverty threshold appropriate for the size and type of family. Different thresholds exist for elderly and nonelderly unrelated individuals, for two-person families with and without elderly heads, and for families of different sizes and numbers of children. The poverty threshold for a family of four was $12,092 in 1988. The thresholds are adjusted annually by the Consumer Price Index to reflect inflation.

**Producer Price Index for finished goods (PPI):** A measure of average producer prices of finished goods underlying the retail prices for a specific period compared against a benchmark period.

**Real earnings:** The value of earnings adjusted to reflect price changes. Earnings in 1982 and 1986 were adjusted using the implicit price deflator for personal consumption expenditures to reflect their value as of 1987. With the deflator valued at 100 for 1987, the deflators for 1982 and 1986 were 83.7 and 95.6.

**Rural-urban continuum code:** A 10-part classification scheme that distinguishes metro counties by size and nonmetro counties by degree of urbanization and proximity to a metro area.

**Service-producing industries:** Transportation and public utilities; wholesale and retail trade; finance, insurance, and real estate; services (including hotel, business, health, legal, and other services); and Federal, State, and local government and government enterprises.

**Unrelated individuals:** People who do not live with relatives. An unrelated individual may live alone, with nonrelatives, or in group quarters with no relatives. Lodgers or resident employees with no relatives in the household are also unrelated individuals. (Inmates of institutions are not classified as unrelated individuals.)

**Unemployment rate:** The number of unemployed people as a percentage of the civilian labor force.

### Appendix table 1—Nonmetro and metro employment statistics: Annual averages

| Year | Labor force | Labor force participation rate | Employment | Unemployment | Unemployment rate | Adjusted unemployment rate [1] |
|---|---|---|---|---|---|---|
| | *Thousands* | *Percent* | —— *Thousands* —— | | —— *Percent* —— | |
| Nonmetro: | | | | | | |
| 1989 | 26,209 | 63.2 | 24,718 | 1,491 | 5.7 | 9.1 |
| 1988 | 25,409 | 62.4 | 23,827 | 1,582 | 6.2 | 10.1 |
| 1987 | 25,101 | 62.1 | 23,302 | 1,799 | 7.2 | 11.3 |
| 1986 | 25,171 | 61.9 | 23,091 | 2,080 | 8.3 | 12.8 |
| 1985 | 24,781 | 61.2 | 22,700 | 2,081 | 8.4 | 13.0 |
| 1984 | 34,725 | 62.1 | 31,930 | 2,796 | 8.1 | 12.2 |
| 1983 | 34,156 | 61.8 | 30,696 | 3,460 | 10.1 | 14.9 |
| 1982 | 33,740 | 61.7 | 30,335 | 3,405 | 10.1 | 14.9 |
| 1981 | 33,092 | 61.9 | 30,488 | 2,603 | 7.9 | 11.5 |
| 1980 | 32,512 | 61.7 | 30,150 | 2,362 | 7.3 | 10.7 |
| 1979 | 31,716 | 61.5 | 29,916 | 1,800 | 5.7 | 8.5 |
| 1978 | 31,682 | 61.5 | 29,844 | 1,837 | 5.8 | 8.8 |
| 1977 | 30,307 | 60.5 | 28,317 | 1,990 | 6.6 | 9.8 |
| 1976 | 29,190 | 59.6 | 27,150 | 2,040 | 7.0 | 10.2 |
| 1975 | 28,386 | 59.2 | 26,126 | 2,260 | 8.0 | 11.6 |
| Metro: | | | | | | |
| 1989 | 97,660 | 67.4 | 92,624 | 5,036 | 5.2 | 7.5 |
| 1988 | 96,260 | 66.9 | 91,141 | 5,119 | 5.3 | 7.9 |
| 1987 | 94,764 | 66.6 | 89,138 | 5,625 | 5.9 | 8.7 |
| 1986 | 92,665 | 66.2 | 86,508 | 6,157 | 6.6 | 9.5 |
| 1985 | 90,684 | 65.9 | 84,453 | 6,231 | 6.9 | 9.9 |
| 1984 | 78,819 | 65.4 | 73,076 | 5,743 | 7.3 | 10.4 |
| 1983 | 77,394 | 65.1 | 70,137 | 7,257 | 9.4 | 13.1 |
| 1982 | 76,465 | 65.1 | 69,192 | 7,273 | 9.5 | 13.1 |
| 1981 | 73,301 | 64.9 | 67,825 | 5,476 | 7.5 | 10.3 |
| 1980 | 72,207 | 64.8 | 67,120 | 5,087 | 7.0 | 9.5 |
| 1979 | 71,192 | 64.7 | 67,029 | 4,163 | 5.8 | 8.0 |
| 1978 | 68,738 | 64.0 | 64,529 | 4,210 | 6.1 | 8.4 |
| 1977 | 67,094 | 63.1 | 62,229 | 4,866 | 7.3 | 9.8 |
| 1976 | 65,584 | 62.5 | 60,335 | 5,248 | 8.0 | 10.6 |
| 1975 | 64,227 | 62.1 | 58,657 | 5,570 | 8.7 | 11.5 |

Note: Beginning in 1985, estimation procedures for the Current Population Survey are based on the 1980 Census.

[1] Unemployment rate adjusted to include discouraged workers and half of the workers employed part-time for economic reasons.

Source: Bureau of the Census, Current Population Survey.

### Appendix table 2— Employment by industry and region

| Region and industry | Total | | Metro | | Nonmetro | |
|---|---|---|---|---|---|---|
| | 1982-86 | 1986-87 | 1982-86 | 1986-87 | 1982-86 | 1986-87 |
| | *Average annual percentage change* | | | | | |
| United States | 2.8 | 2.9 | 3.1 | 3.0 | 1.6 | 2.5 |
| Goods-producing industries | 1.0 | 1.0 | 1.3 | .8 | .2 | 1.7 |
| Farming [1] | -.3 | 1.2 | 1.3 | 2.4 | -1.5 | .2 |
| Mining | -6.5 | -5.7 | -5.7 | -6.2 | -7.6 | -5.1 |
| Construction | 5.8 | 3.6 | 6.6 | 3.6 | 2.9 | 3.7 |
| Manufacturing | .3 | .4 | — | -.2 | 1.4 | 2.6 |
| Service-producing industries | 3.5 | 3.5 | 3.7 | 3.6 | 2.4 | 2.9 |
| Transportation and public utilities | 1.4 | 2.8 | 1.5 | 3.0 | .8 | 2.2 |
| Wholesale trade | 1.9 | 1.8 | 2.3 | 1.9 | -.6 | 1.3 |
| Retail trade | 3.4 | 2.7 | 3.6 | 2.7 | 2.3 | 2.7 |
| Finance, insurance, real estate | 5.3 | 3.2 | 5.5 | 3.5 | 4.6 | 1.5 |
| Services [2] | 5.1 | 5.5 | 5.3 | 5.6 | 3.9 | 5.0 |
| Government | 1.5 | 1.8 | 1.5 | 1.9 | 1.2 | 1.6 |
| Northeast | 2.7 | 2.8 | 2.7 | 2.6 | 2.7 | 3.8 |
| Goods-producing industries | .4 | .6 | .3 | .3 | 1.0 | 2.8 |
| Farming [1] | 1.6 | 2.4 | 2.5 | 3.0 | -.2 | 1.1 |
| Mining | -3.5 | -3.9 | -2.0 | -3.6 | -5.7 | -4.4 |
| Construction | 8.3 | 7.9 | 8.1 | 7.5 | 9.5 | 11.1 |
| Manufacturing | -1.5 | -1.7 | -1.6 | -2.0 | -.4 | 1.0 |
| Service-producing industries | 3.5 | 3.4 | 3.5 | 3.3 | 3.5 | 4.2 |
| Transportation and public utilities | 1.0 | 3.0 | .9 | 2.8 | 1.9 | 5.5 |
| Wholesale trade | 2.4 | 2.6 | 2.5 | 2.6 | 1.6 | 2.6 |
| Retail trade | 3.6 | 2.2 | 3.6 | 2.0 | 4.1 | 4.0 |
| Finance, insurance, real estate | 4.7 | 4.8 | 4.7 | 4.8 | 6.0 | 3.7 |
| Services [2] | 4.9 | 4.7 | 4.9 | 4.7 | 4.6 | 5.4 |
| Government | 1.2 | 1.7 | 1.2 | 1.6 | 1.2 | 2.6 |
| Midwest | 2.3 | 2.8 | 2.7 | 3.0 | 1.2 | 2.3 |
| Goods-producing industries | .8 | .8 | 1.2 | .4 | .1 | 1.5 |
| Farming [1] | -.9 | -.8 | .7 | .2 | -1.5 | -1.1 |
| Mining | -3.6 | -3.7 | -1.7 | -2.8 | -4.6 | -4.2 |
| Construction | 4.3 | 6.1 | 6.0 | 6.6 | .3 | 4.9 |
| Manufacturing | .6 | — | .3 | -.9 | 1.9 | 3.2 |
| Service-producing industries | 2.9 | 3.6 | 3.2 | 3.8 | 1.8 | 2.8 |
| Transportation and public utilities | 1.4 | 3.1 | 1.5 | 3.4 | .9 | 2.2 |
| Wholesale trade | 1.1 | 2.7 | 1.8 | 3.1 | -1.4 | .9 |
| Retail trade | 2.5 | 3.5 | 3.0 | 3.8 | 1.0 | 2.5 |
| Finance, insurance, real estate | 3.7 | 3.2 | 3.9 | 3.7 | 3.2 | 1.0 |
| Services [2] | 4.6 | 5.1 | 4.9 | 5.2 | 3.4 | 4.8 |
| Government | 1.3 | 1.6 | 1.3 | 1.6 | 1.3 | 1.5 |

See footnotes at end of table.

—Continued

### Appendix table 2— Employment by industry and region—Continued

| Region and industry | Total | | Metro | | Nonmetro | |
|---|---|---|---|---|---|---|
| | 1982-86 | 1986-87 | 1982-86 | 1986-87 | 1982-86 | 1986-87 |
| | *Average annual percentage change* | | | | | |
| South | 2.9 | 2.7 | 3.3 | 2.8 | 1.5 | 2.4 |
| Goods-producing industries | .8 | .5 | 1.2 | -.2 | — | 1.6 |
| Farming [1] | -1.1 | 1.1 | .8 | 1.8 | -2.2 | .6 |
| Mining | -7.2 | -7.3 | -6.6 | -7.9 | -8.1 | -6.5 |
| Construction | 4.9 | .5 | 5.3 | -.2 | 3.6 | 2.8 |
| Manufacturing | .7 | 1.1 | .3 | .3 | 1.4 | 2.6 |
| Service-producing industries | 3.7 | 3.5 | 4.0 | 3.6 | 2.6 | 2.9 |
| Transportation and public utilities | 1.5 | 3.2 | 1.6 | 3.5 | .9 | 2.5 |
| Wholesale trade | 1.4 | 1.1 | 1.7 | 1.2 | -.2 | 1.0 |
| Retail trade | 3.9 | 2.8 | 4.2 | 2.7 | 3.0 | 2.9 |
| Finance, insurance, real estate | 6.3 | 2.5 | 6.5 | 2.6 | 5.3 | 1.6 |
| Services [2] | 5.4 | 5.9 | 5.8 | 6.1 | 3.9 | 5.2 |
| Government | 1.5 | 1.9 | 1.6 | 2.1 | 1.0 | 1.4 |
| West | 3.5 | 3.3 | 3.8 | 3.5 | 1.9 | 2.2 |
| Goods-producing industries | 2.3 | 2.8 | 2.8 | 3.0 | .2 | 1.4 |
| Farming [1] | 1.2 | 3.6 | 1.7 | 4.2 | .3 | 2.6 |
| Mining | -7.5 | -2.5 | -5.7 | -2.9 | -9.4 | -2.2 |
| Construction | 6.9 | 3.1 | 8.0 | 3.8 | 1.5 | -1.0 |
| Manufacturing | 1.7 | 2.7 | 1.5 | 2.7 | 2.7 | 2.5 |
| Service-producing industries | 3.9 | 3.5 | 4.1 | 3.7 | 2.6 | 2.5 |
| Transportaion and public utilities | 1.7 | 1.7 | 2.1 | 2.0 | -.1 | -.1 |
| Wholesale trade | 3.2 | 1.1 | 3.6 | .9 | -.9 | 2.5 |
| Retail trade | 3.3 | 2.3 | 3.5 | 2.4 | 2.0 | 1.7 |
| Finance, insurance, real estate | 6.2 | 2.8 | 6.4 | 3.0 | 4.8 | .9 |
| Services [2] | 5.6 | 6.1 | 5.7 | 6.3 | 4.4 | 4.8 |
| Government | 1.7 | 2.0 | 1.7 | 2.1 | 1.7 | 1.7 |

— = None or negligible.

[1] Includes farming, agricultural services, forestry, and fisheries.

[2] Includes hotel, business, health, legal, and other services.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

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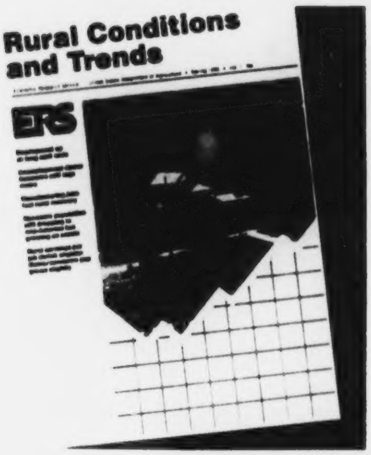

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# Rural Conditions and Trends

Economic Research Service • United States Department of Agriculture • Summer 1990 • Vol. 1, No. 2

National, rural job growth down

Rural jobless rate stable in early 1990

# Rural Conditions and Trends

Summer 1990, Vol. 1, No. 2

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# Rural Areas Join Nation in Economic Slowdown

*The slower rate of national economic growth has now spread to rural areas.*

The rate of job growth in rural areas declined during the last quarter of 1989 and the first of 1990, indicating that rural areas have not escaped the slowdown in the national economy indicated by slower gross national product (GNP) growth. When measured by change in employment, however, the rural economy has not slowed as quickly or as much as the urban economy. We use employment growth as an indicator of change in the level of economic activity in rural areas, because no measure equivalent to the GNP is computed at subnational levels.

Local economic conditions, as always, vary considerably across the country. The map of employment growth in rural areas during 1989 reveals a patchwork pattern of growth and decline. Nevertheless, county-level data on employment growth indicate that the economy in all types of rural counties and regions is slowing. Even counties bordering metropolitan areas that benefited earlier in the 1980's from a spillover of urban economic activity are now doing no better than more remote rural counties, probably because of the even more pronounced slowdown in the urban economy.

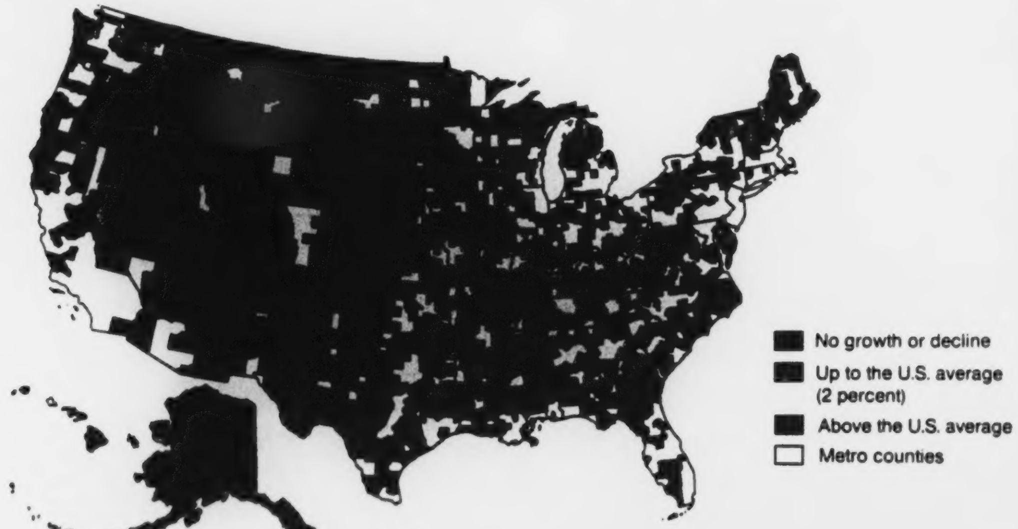
The slowing employment growth, however, has not necessarily meant workers are worse off. In both rural and urban areas, job growth was accompanied in the first quarter of 1990 by stable, not higher, unemployment rates when compared with the same quarter in 1989. Adjusted unemployment rates, which take into consideration discouraged workers, have also remained essentially unchanged in both areas.

We do not totally understand why the job slowdown has not led to increased joblessness. One factor is almost certainly that excess labor often associated with slow job growth has been reduced by slowing growth in the labor force. The number of teenagers reaching working age has declined markedly. About a half million or 13 percent fewer babies were born in 1972 (those who will reach age 18 this year) than just 2 years before. In rural areas, continuing outmigration reduces the number of workers and therefore joblessness. But with the slowing of urban employment growth, that outlet for excess rural workers is likely to become insignificant.

Steady levels of joblessness, while good news, say nothing about an equally important issue for workers, whether or not real wages are improving. That issue cannot be addressed until wage data become available in 1991.

**Rural employment change,1988-89**

**Rural America's job picture mixed, but generally better than national average**



# Economic Slowdown Softens Job Growth

*First half employment gains were weak, but reviving manufacturing production should strengthen second half job growth. However, moderate economic growth and lower inflation may allow interest rates to decline.*

With interest rates remaining relatively high, the general economy grew only moderately in the first half of 1990. Since January, interest rates have been fairly stable, with the prime rate about 1.5 percentage points below the 11.5-percent mid-1989 peak. However, the prime rate remained about 2 percentage points above its 1987 level of 8.2 percent, the low point for the 1980's economic expansion.

Despite a softening economy, inflation unexpectedly rose in the first quarter of 1990, keeping interest rates up. Unusual events (December's cold snap and February's early spring-fashion introduction) were largely responsible for inflation's temporary acceleration. Inflation growth has since moderated. Although the Federal Reserve is still committed to reducing inflation, the current lower inflation rate should allow the Fed to cautiously ease restrictions on money supply and credit growth, with the probable result that interest rates would edge down.

### Employment Sectors Show Varied Movement

Nonagricultural employment growth slowed during the first 5 months of the year. The monthly gains were erratic, primarily resulting from unusual weather. Overall employment added 361,000 jobs in January, slowed to 23,000 jobs in April, but rose again by 155,000 jobs in May. The average monthly gain for the first 5 months of 1990 was 212,000, compared with 242,000 jobs a year earlier.

The service sector (which includes transportation and utilities; wholesale and retail trade; finance, insurance, and real estate; business and health services; and government) dominated employment gains throughout 1989. Job gains in health services led all industries. From May 1989 to May 1990, more than a third of the new private sector jobs were in health services.

Other service industries experienced different growth patterns. Accounting for only 3 percent of total nonagricultural employment, the Federal Government was responsible for nearly 32 percent of the employment gain between January and May, a further sign of a slowdown in the overall economy. Temporary census-worker hirings more than accounted for the Federal employment change in the first 5 months of 1990. Retail trade employment slid with sagging goods production. About 55,000 jobs were lost in general merchandise stores during the first 5 months of 1990.

Although service sector employment is almost four times larger, goods-producing employment (manufacturing, construction, and mining) responds faster to overall business cycle movements. During the fourth quarter of 1989, gross national product (GNP) growth increased at an annual rate of only 1.1 percent, rising to 1.9 percent in the first quarter of 1990. Between September and May, goods-producing payroll employment declined in 7 of the 9 months. The major exception was February 1990, when unseasonably warm weather spurred additional construction employment.

Within the goods-producing industries, 75 percent of the jobs are found in the manufacturing sector, but manufacturing jobs represent only 18 percent of total employment. During 1984-86, as real economic growth slowed from 6.8 to 2.7 percent, manufacturing employment lost about 400,000 jobs nationally. By March 1989, however, durable and nondurable goods employment had recovered to a postrecession high as real GNP growth averaged 3.7 percent between 1987 and 1989. Since March 1989, manufacturing employment has contracted by 1.7 percent, or a loss of 335,000 factory jobs. Several industries have experienced substantial job loss: electrical equipment (85,000), motor vehicles (55,000), apparel (50,000), fabricated metals (35,000), and textile mills (25,000).

Despite February's spurt, only 30,000 jobs were added to construction between May 1989 and May 1990, for an annual growth rate of just over 0.5 percentage point. Mining showed steady improvement during that period, up by almost 35,000 jobs, or about 5 percent over the previous year.

### Personal Income Growth Slows

Personal income continues to grow, but inflation has eroded much of the increase. Nominal personal income increased 8.9 percent in 1989. Growth improved from late 1989 to early 1990; a third-quarter 5.3-percent annual rate rose to an annualized 7-percent rate during the fourth quarter of 1989 and increased to almost 9 percent in the first quarter of 1990. In inflation-adjusted terms, however, personal income growth slowed. For example, annualized real growth in per capita disposable income fell from 3.3 percent in the third quarter of 1989 to 1.3 percent in the fourth quarter and maintained that rate through the first quarter of 1990. Since 1982, real per capita disposable income has annually grown an average 2.6 percent.

### Outlook: Continued Moderate Growth

The general economy is likely to grow at a moderate rate in the second half of 1990. Declining inflation combined with moderate economic growth should ease pressure on interest rates. The value of the dollar is also likely to fall slightly. With the lower value of the dollar and expected higher foreign economic growth, exports are likely to lead overall growth throughout the rest of 1990.

Moderate economic growth, lower interest rates, and an improved export outlook should generally help support job growth, albeit at a slow rate. Recent declines in housing starts and a likely downturn in residential investment could hurt prospects for near-term construction job growth. Service sector employment growth would have to be strong for significant job gains to occur.

### Implications for Urban-Rural Unemployment

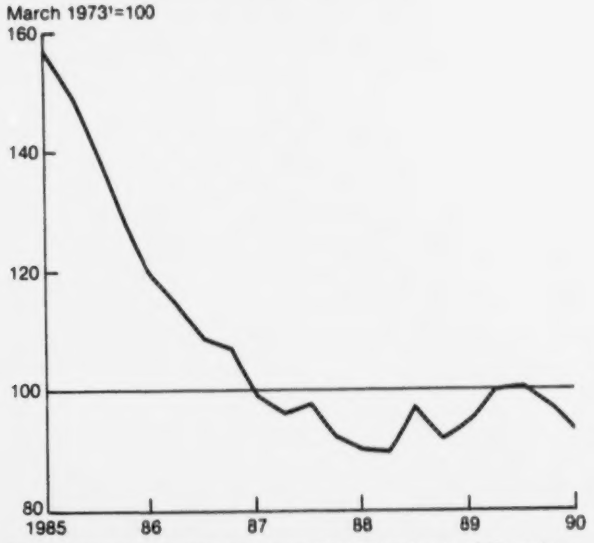
Preliminary research suggests that the export-led growth in the general economy could benefit rural areas slightly more than urban areas. Results indicate that in an expanding economy, rural unemployment rates tend to fall more rapidly than urban rates. This result appears contrary to the 1984-86 experience of stalled rural unemployment in an expanding national economy; however, the high value of the dollar offset the benefits from the economic recovery during that period.

Research also suggests that rural areas, more than urban areas, tend to benefit from dollar depreciation and the resulting export growth. With continued growth in the general economy, dollar depreciation, and export growth, the gap between rural and urban unemployment rates could narrow over the next year.

*[For further information, contact Karen Hamrick or Elizabeth Mack, 202/786-1782.]*

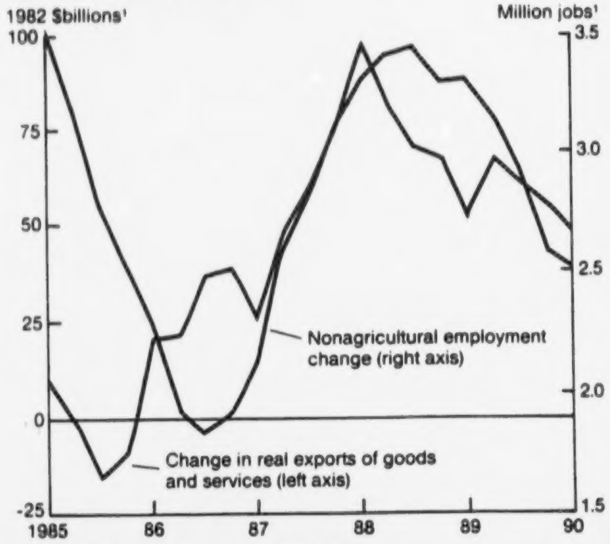
## Exchange rate and job growth

**The dollar weakened in the late 1980's . . .**



¹Federal Reserve index based on trade-weighted exchange rates of 10 countries.

**And boosted real exports, which strongly influenced nonagricultural job growth**



¹Change from previous year on a quarterly basis.

# Rural Employment Growth Slows

*Rural employment growth slowed by almost 2 percent in the first quarter of 1990 compared with the same period in 1989, extending a trend that began in the second half of 1989. Rural growth slowed most during 1989 in the Midwest and in farming-dependent counties.*

Rural employment growth dropped from 3.5 percent between the first quarters of 1988 and 1989, to 1.6 percent between 1989 and 1990. This first-quarter drop in the rural growth rate is the greatest since 1984-85 when the rural economy stalled, according to Current Population Survey (CPS) estimates. However, rural job growth continued to outpace urban growth slightly (1.6 percent compared with 0.95 percent) between the first quarters of 1989 and 1990.

CPS data show rural employment gains for all of 1989 were substantial (3.7 percent), but fourth-quarter data indicate a slowdown. Preliminary Bureau of Labor Statistics (BLS) data suggest the same overall trend but show only a 2.1-percent increase in 1989. An earlier decline in the second quarter of 1989 led to a slower rural growth rate during 1988-89 than during 1987-88. BLS data, consistent with CPS data, show rural employment growth exceeding urban growth during 1989, although BLS estimates show closer rates. We use both data sources because BLS estimates provide county-level data, and CPS furnishes detailed demographic data.

### Job Picture Generally Mixed

Rural employment growth, according to the county-level BLS data, slowed in all regions of the country except the West during 1988-89. The greatest declines were in the Northeast and the Midwest. In the Northeast, slowdowns in defense-related industries and financial services have hit hard. In the Midwest, manufacturing and agriculture have declined substantially.

Employment in the rural South dropped only slightly as rising oil prices spurred growth in the oil-producing areas of Texas, Oklahoma, and Louisiana. However, employment growth in the rural West jumped from 2.2 percent in 1988 to 4.3 percent in 1989. Much of the western growth can be attributed to growth in retirement counties and the recovery of energy-related industries. The spillover of growth from urban into rural areas may also have contributed. Employment in western rural counties adjacent to metro areas grew 5.3 percent during 1988-89.

Rural employment growth slowed in all economic county types except mining-dependent counties. Employment growth in farming- and manufacturing-dependent counties dropped most. Retirement-dependent counties dropped only slightly. Employment in mining-dependent counties grew by 2.1 percent in 1989, after a 1988 drop of 0.4 percent. Employment in those counties generally declined in the 1980's as energy prices fell but grew as oil prices rose in 1989.

Rural employment decline and growth are more concentrated in a few States than was the case a few years ago. Rural employment stagnated during 1979-86, with an overall growth rate only about 65 percent of the Nation as a whole. BLS estimates indicate, however, that 30 percent (727) of rural counties had higher than average employment growth rates during this period. Forty-eight percent (1,146) of rural counties declined in employment or had no growth.

The county map of rural employment change during 1979-86 at first glance seems a random mosaic. But, much of the change can be explained by the economy and location of counties. During this period, all States except for some in the Northeast had rural counties with declining employment and others with above-average growth. Many rural areas depend on mining, agriculture, or manufacturing, and all three sectors did poorly in the mid-1980's. The pattern of growth is less easy to explain but seems to be associated with either the area's physical attractiveness or proximity to an urban area. Most counties that did well appear to be either in retirement-recreation areas or adjacent to rapidly growing southern and southwestern urban areas.

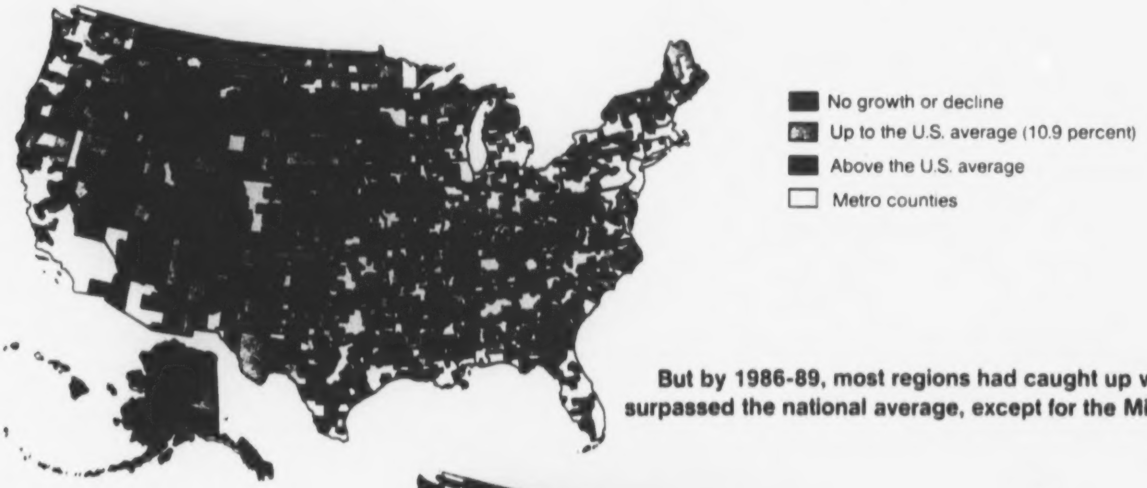
### Differences Narrow

During 1986-89, rural employment growth quickened, and differences among rural counties narrowed. The share of rural counties with no growth or decline fell to 28 percent, but only 22 percent grew at a level above the U.S. average, down from 1979-86. Employment growth and decline was more geographically focused in 1986-89. The resurgence in U.S. manufacturing improved the job situation in many rural counties. But lower energy prices still plagued oil industries in Texas, Oklahoma, and Louisiana and mining in Wyoming. The highest rate of employment decline was in the farming counties of mid-America, despite the recovery of farm incomes.

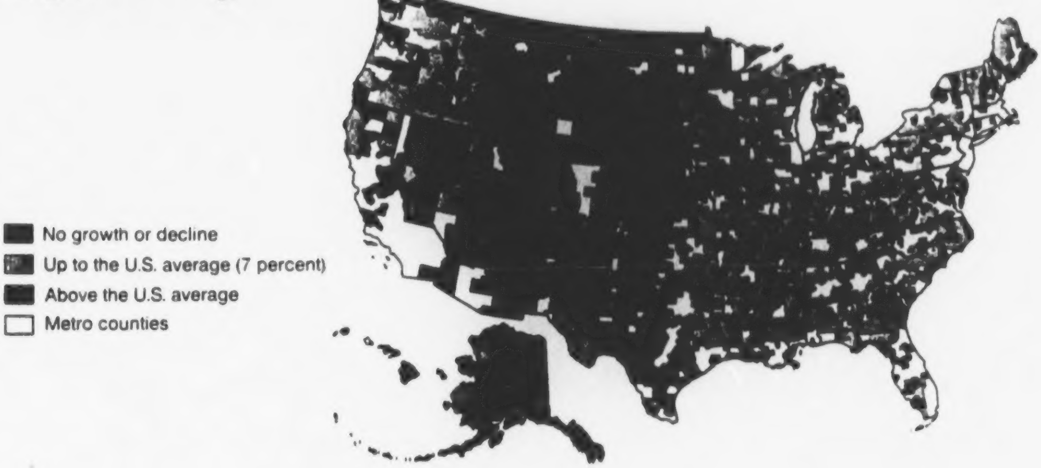
*[For further information, contact Tim Parker, 202/786-1540.]*

## Rural employment change

**During 1979-86, rural America generally lagged national average job growth . . .**


■ No growth or decline
▨ Up to the U.S. average (10.9 percent)
■ Above the U.S. average
□ Metro counties

**But by 1986-89, most regions had caught up with or surpassed the national average, except for the Midwest**


■ No growth or decline
▨ Up to the U.S. average (7 percent)
■ Above the U.S. average
□ Metro counties

### Rural employment growth slows

Employment has generally been faster in rural than urban areas since 1987

| Item | 1986-87 | 1987-88 | 1988-89 | 1st quarter of— 1988-89 | 1st quarter of— 1989-90 |
|---|---|---|---|---|---|
| | *Percentage change from previous year* | | | | |
| Current Population Survey: | | | | | |
| U.S. total | 2.6 | 2.3 | 2.0 | 2.4 | 1.1 |
| Metro | 3.0 | 2.3 | 1.6 | 2.1 | .9 |
| Nonmetro | .9 | 2.3 | 3.7 | 3.5 | 1.6 |
| Bureau of Labor Statistics: | | | | | |
| U.S. total | 2.6 | 2.3 | 2.0 | 2.5 | — |
| Metro | 2.8 | 2.2 | 2.0 | 2.4 | — |
| Nonmetro | 1.8 | 2.4 | 2.1 | 2.8 | — |

— = Data not available.

Sources: Current Population Survey and Bureau of Labor Statistics county data.

# Rural Unemployment Held Steady in First Quarter 1990

*Rural unemployment rates did not change between first quarter 1989 and 1990. However, rural unemployment fell in all economic types of counties and all regions except the Northeast during 1989.*

Rural unemployment remained steady between the first quarters of 1989 and 1990, according to Current Population Survey (CPS) data. The rural unemployment rate in the first quarter of 1990 was 6.6 percent, not statistically different from the first-quarter 1989 rate of 6.4 percent. (Because these quarterly data are not adjusted for seasonal variation, comparisons are made with the same quarter a year earlier.) Urban unemployment in the first quarter of 1990 was 5.5 percent, also unchanged from a year earlier.

Preliminary Bureau of Labor Statistics (BLS) data suggest a different picture with unemployment rates declining in rural areas between January-February 1989 and 1990 but increasing slightly in urban areas. The BLS rural unemployment estimate for January-February 1990 was 7.4 percent, and the urban estimate was 5.4 percent. Future revisions in the BLS January-February estimates and the addition of March estimates may bring these unemployment patterns more in line with the quarterly CPS data. However, BLS rates will most likely remain higher than the CPS rates, as has been consistently true for some years.

The adjusted unemployment rate, which includes those who have given up looking for work and half of those who work part-time but who want full-time work, continues to be higher in rural than urban areas. The rural adjusted unemployment rate was 10 percent in the first quarter of 1990, compared with an urban rate of 7.8 percent. Adjusted unemployment rates for metro and nonmetro areas have both fallen dramatically in recent years, but were unchanged between the first quarters of 1989 and 1990.

## Some Improvement in 1989

Before 1990, declining unemployment rates pointed to continued economic recovery for many rural areas. Annual average BLS data show that rural unemployment fell in all regions except the Northeast, where it rose from 4.8 in 1988 to 5.2 in 1989 (app. table 3). This rising unemployment registered in both the urban and rural Northeast and may reflect declines in financial services, construction, and defense contracting industries concentrated there. The rural Northeast continues to have the lowest regional unemployment rate, however.

Rural unemployment rates fell in all economic types of counties between 1988 and 1989. Mining-dependent counties were particularly hard hit during the recession of the early 1980's when their unemployment rates soared to over 15 percent. These counties have been slow to recover, and they still have higher unemployment (8.6 percent) than counties with other types of economic bases (all less than 6.5 percent in 1989). Rural manufacturing counties—also hard hit during the recession—have improved the most since 1980-82 and have now returned to prerecession unemployment levels. Farming-dependent counties did not experience the high unemployment levels seen in other county types, but unemployment rates have not yet fallen to 1979 levels.

Despite recent improvements in rural areas, economic recovery has not occurred evenly across all nonmetro counties, and many areas continue to have high unemployment. Unemployment in rural counties in 1989 ranged from 1.2 to 34.5 percent.

Some 900 counties (38 percent of all rural counties) showed the brightest employment picture with unemployment rates lower than the 5.3-percent U.S. average in 1989. These counties were concentrated in the Midwest, New England, Nevada, Idaho, Montana, Virginia, and North Carolina. Many of these low-unemployment counties were farming-dependent counties—counties which have traditionally had lower unemployment rates than other economic types of counties.

## Unemployment Still High for Some Counties

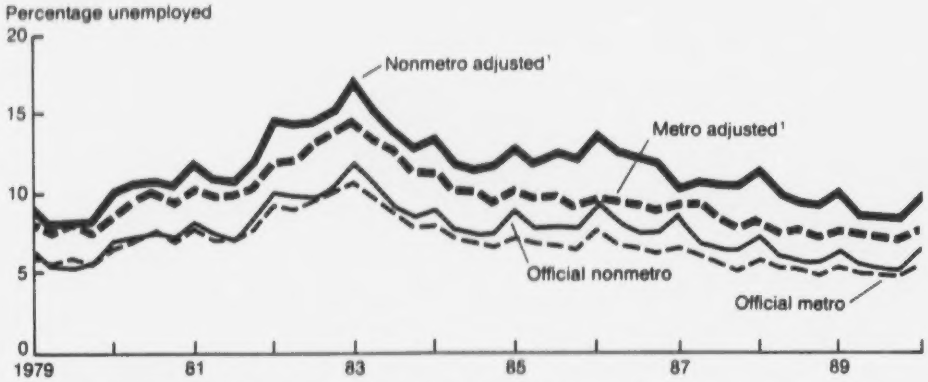
Over 600 counties (25 percent of all rural counties) had unemployment rates exceeding 8 percent, 1.5 times the national average. Some of these high-unemployment counties, particularly in the Southwest, the Mississippi Delta, Appalachia, Alaska, and the Pacific Northwest, have had persistently high levels of unemployment. These areas are historically associated with both limited employment opportunities and poorly trained population.

Other high-unemployment counties, particularly in Texas, the Southeast, Alaska, and the Mississippi Delta, depend on energy-related industries. These counties have not yet recovered from falling oil prices and energy production in the mid-1980's.

Rural unemployment showed little change between the first quarters of 1989 and 1990, following several years of decline. This pattern may reflect a leveling off of unemployment rates as rural areas recover from the recession. Or it may represent a temporary adjustment to the weaker U.S. economy seen during the last half of 1989. A rising civilian unemployment rate and slow manufacturing and construction employment growth in the first half of 1990 suggest a continued weak employment picture at the national level. Current indicators do not point to a substantial weakening of the rural labor market, but rural areas will probably see more stable unemployment rates for the rest of the year. *[For further information, contact Leslie A. Whitener, 202/786-1540.]*

## Rural unemployment stable

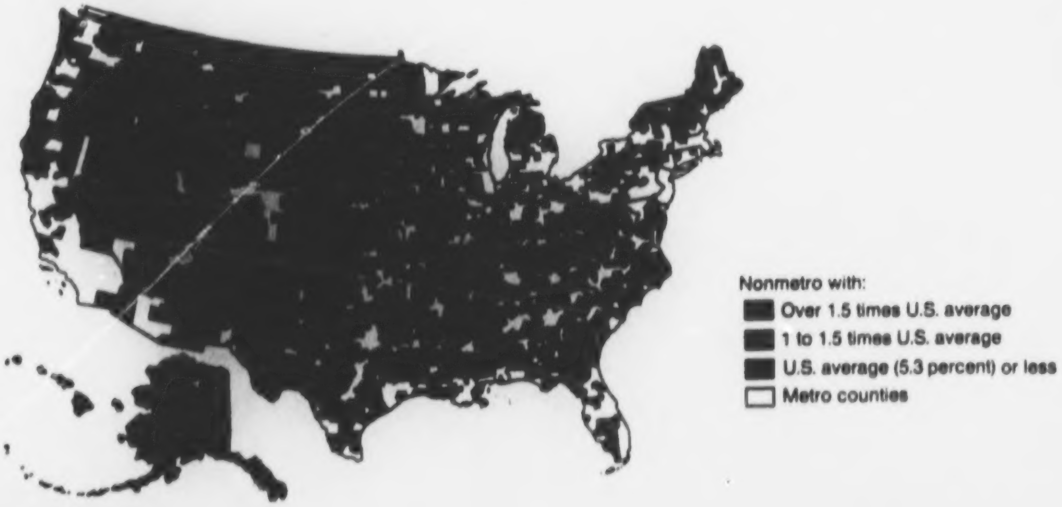
**Rural unemployment rates did not change from first quarter 1989 to 1990 after years of decline**



[1] Includes discouraged workers and half of the workers employed part-time for economic reasons.
Source: Current Population Survey.

## Rural unemployment, 1989

**Despite economic recovery, unemployment in over 60 percent of nonmetro counties exceeds the national average**


Nonmetro with:
■ Over 1.5 times U.S. average
■ 1 to 1.5 times U.S. average
■ U.S. average (5.3 percent) or less
☐ Metro counties

Source: Bureau of Labor Statistics.

# Appendix: Data Sources and Definitions

## Data Sources

Assessing the changing conditions and trends in rural America is complicated by the need to use a variety of data sources for monitoring demographic and economic patterns. Because different sources of data are intended for different purposes and employ different definitions and collection methods, they sometimes produce contradictory statistics and may lead to different interpretations. Describing rural conditions, therefore, necessitates piecing together general trends from many sources of information, not all of which are used each issue.

**Macroeconomic conditions:** The economic indicators used to monitor macroeconomic changes in the U.S. economy are derived from Federal sources. Measures of inflation, including the Consumer and Producer Price Indexes, and employment and unemployment data are developed by the U.S. Department of Labor's Bureau of Labor Statistics (BLS). National income and product account information on capital investment, gross national product, and net exports is produced by the Bureau of Economic Analysis (BEA), U.S. Department of Commerce. Information relating to monetary policy, including changes in interest rates and foreign exchange rates, and data on industrial production are furnished by the Federal Reserve Board of Governors.

**Employment and earnings:** Data on nonmetro employment, unemployment, and earnings come from three sources. The monthly Current Population Survey (CPS), conducted by the Bureau of the Census for the U.S. Department of Labor, provides detailed information on the labor force, employment, unemployment, and demographic characteristics of the metro and nonmetro population. CPS derives estimates based on a national sample of about 58,000 households that are representative of the U.S. civilian noninstitutional population 16 years of age and over. Labor force information is based on respondents' activity during 1 week each month.

BLS county-level employment data are taken from unemployment insurance claims and State surveys of establishment payrolls which are then benchmarked to State totals from the CPS. Thus, at the national and State levels, annual average BLS and CPS estimates are the same. The BLS data series provides monthly estimates of labor force, employment, and unemployment for individual counties.

BEA employment data, unlike the household data collected by the CPS and BLS, provide establishment data on the number of jobs rather than the number of workers. BEA data provide detailed information on the number and type of jobs, earnings by industry, and sources and amounts of income at the county level.

Each of these data sets has its advantages and disadvantages. CPS furnishes detailed employment, unemployment, and demographic data for metro and nonmetro portions of the Nation. BEA provides estimates of the number of jobs and earnings by industry for individual county areas. BLS provides less detailed employment data than the other two series, but offers very current and timely employment and unemployment information at the county level. While these data sources are likely to provide different estimates of employment conditions at any point in time, they generally indicate similar trends.

## Definitions

Throughout *Rural Conditions and Trends*, we use "rural" and "nonmetro" interchangeably. The same holds for "urban" and "metro." However, in tables we use "nonmetro" and "metro," the original and more accurate terms used in the data sources.

**Adjacent and nonadjacent nonmetro counties:** Nonmetro counties that are physically adjacent to one or more metro areas and have at least 2 percent of the employed labor force commuting to work in a central metro county. All other nonmetro counties are nonadjacent.

**Adjusted unemployment rate:** The number of unemployed people, discouraged workers who have given up looking for work, and half of the workers who work part-time but want full-time work as a percentage of the civilian labor force plus discouraged workers.

**Consumer Price Index (CPI):** A measure of the average price level of a basket of consumer goods and services at the retail level for a specific period compared against a benchmark period.

**County type classification:** A recently updated USDA classification of nonmetro counties by principal economic activity or demographic base, such as farming-, manufacturing-, or mining-dependent, persistent poverty, or retirement destination, among others. The classification is used to depict the social and economic structure of rural America.

Farming-dependent counties include counties where farming accounted for a weighted annual average of 20 percent or more of total labor and proprietor income (TLPI) in 1981, 1982, 1984, 1985, and 1986. Manufacturing-dependent counties included those where manufacturing contributed 30 percent or more of TLPI in 1986. Mining-dependent counties included those where mining contributed 20 percent or more to TLPI in 1986. Retirement counties included those counties where the net immigration rates of people aged 60 and over were 15 percent or more of the expected 1980 population aged 60 and over for the period 1970-80.

For further information, see Thomas F. Hady and Peggy J. Ross, **An Update: The Diverse Social and Economic Structure of Nonmetropolitan America**, AGES 9036, U.S. Department of Agriculture, Economic Research Service, June 1990.

**Foreign exchange rate:** The rate at which one currency is traded for another. The Federal Reserve publishes a measure of the overall U.S foreign exchange rate based on the rates of the 10 major U.S. trading partners.

**Gross national product (GNP):** The dollar amount of final goods and services produced by the United States. GNP is the sum of consumer spending, Federal Government purchases of goods and services, business investment, and exports less the amount of imports. This statistic is reported quarterly but is revised in each of the 2 months following the initial release. Nominal GNP measures final goods and services at current prices. Real GNP measures final goods and services at 1982 prices to adjust for inflation.

**Inflation rate:** The percentage change in a measure of the average price level. Changes are reported on a monthly basis and are stated as annual rates for longer term comparisons. The two major measures of the average price level are the Consumer and Producer Price Indexes.

**Labor force participation rate:** The civilian labor force as a percentage of the civilian noninstitutional population 16 years and older.

**Metro areas:** Metropolitan Statistical Areas (MSA's), as defined by the Office of Management and Budget, include core counties containing a city of 50,000 or more people or containing several smaller cities totaling 50,000 or more people and a total area population of at least 100,000. Additional contiguous counties are included in the MSA if they are economically and socially integrated with the core county. Metro areas are divided into central cities and areas outside central cities (suburbs). Throughout this publication, urban and metro have been used interchangeably to refer to people or places within MSA's.

**Metro-nonmetro classification:** A 10-part classification that distinguishes among metro counties by size, and among nonmetro counties by degree of urbanization and proximity to metro areas. The classification categories are as follows:

***Metro counties:***
Core—central counties of metro areas of 1 million population or more.
Fringe—fringe counties of metro areas of 1 million population or more.
Medium—counties in metro areas of 250,000 to 1 million population.
Small—counties in metro areas of less than 250,000 population.

***Nonmetro counties:***
Urban adjacent—aggregate urban population (people living in places of 2,500 or more) of 20,000 or more, adjacent to a metro area.
Urban nonadjacent—urban population of 20,000 or more, not adjacent to a metro area.
Less urban adjacent—urban population of 2,500 to 19,999, adjacent to a metro area.
Less urban nonadjacent—urban population of 2,500 to 19,999, not adjacent to a metro area.
Rural adjacent—completely rural or less than 2,500 urban population, adjacent to a metro area.
Rural nonadjacent—completely rural or less than 2,500 population, not adjacent to a metro area.

For more information, see Margaret A. Butler, **Rural-Urban Continuum Codes for Metro and Nonmetro Counties**, AGES 9028, U.S. Department of Agriculture, Economic Research Service, April 1990.

**Nonmetro areas:** Counties outside of metro area boundaries. Throughout this publication, rural and nonmetro are used interchangeably to refer to people and places outside of MSA's.

**Unemployment rate:** The number of unemployed people as a percentage of the civilian labor force.

# Appendix Tables

## Appendix table 1—Nonmetro employment: Quarterly and annual averages

| Year/quarter | Labor force | Labor force participation | Employment | Unemployment | Unemployment rate | Adjusted unemployment rate[1] |
|---|---|---|---|---|---|---|
| | *Thousands* | *Percent* | *—Thousands—* | | *—Percent—* | |
| 1990: | | | | | | |
| 1st | 25,893 | 62.2 | 24,196 | 1,697 | 6.6 | 10.0 |
| 1989: | | | | | | |
| 4th | 26,168 | 62.8 | 24,778 | 1,390 | 5.3 | 8.6 |
| 3rd | 26,783 | 64.1 | 25,323 | 1,459 | 5.4 | 8.7 |
| 2nd | 95,389 | 63.5 | 24,919 | 1,470 | 5.6 | 8.9 |
| 1st | 25,441 | 62.2 | 23,807 | 1,634 | 6.4 | 10.2 |
| 1988: | | | | | | |
| 4th | 25,510 | 62.8 | 24,042 | 1,469 | 5.8 | 9.4 |
| 3rd | 25,793 | 63.2 | 24,294 | 1,499 | 5.8 | 9.6 |
| 2nd | 25,513 | 62.4 | 23,978 | 1,535 | 6.0 | 9.8 |
| 1st | 24,819 | 61.2 | 22,996 | 1,823 | 7.3 | 11.6 |
| 1987: | | | | | | |
| 4th | 25,087 | 62.3 | 23,449 | 1,638 | 6.5 | 10.6 |
| 3rd | 25,277 | 62.9 | 23,634 | 1,643 | 6.5 | 10.5 |
| 2nd | 25,186 | 62.2 | 23,437 | 1,749 | 6.9 | 10.9 |
| 1st | 24,856 | 61.0 | 22,688 | 2,167 | 8.7 | 13.1 |
| 1989 | 26,209 | 63.2 | 24,718 | 1,491 | 5.7 | 9.1 |
| 1988 | 25,409 | 62.4 | 23,827 | 1,582 | 6.2 | 10.1 |
| 1987 | 25,101 | 62.1 | 23,302 | 1,799 | 7.2 | 11.3 |
| 1986 | 25,171 | 61.9 | 23,091 | 2,080 | 8.3 | 12.8 |
| 1985 | 24,781 | 61.2 | 22,700 | 2,081 | 8.4 | 13.0 |
| 1984 | 34,725 | 62.1 | 31,930 | 2,796 | 8.1 | 12.2 |
| 1983 | 34,156 | 61.8 | 30,696 | 3,460 | 10.1 | 14.9 |
| 1982 | 33,740 | 61.7 | 30,335 | 3,405 | 10.1 | 14.9 |
| 1981 | 33,092 | 61.9 | 30,488 | 2,603 | 7.9 | 11.5 |
| 1980 | 32,512 | 61.7 | 30,150 | 2,362 | 7.3 | 10.7 |
| 1979 | 31,716 | 61.5 | 29,916 | 1,800 | 5.7 | 8.5 |
| 1978 | 31,682 | 61.5 | 29,844 | 1,837 | 5.8 | 8.8 |
| 1977 | 30,307 | 60.5 | 28,317 | 1,990 | 6.6 | 9.8 |
| 1976 | 29,190 | 59.6 | 27,150 | 2,040 | 7.0 | 10.2 |
| 1975 | 28,386 | 59.2 | 26,126 | 2,260 | 8.0 | 11.6 |

Note: Beginning in 1985, estimation procedures for the Current Population Survey are based on the 1980 Census. The change accounts for the large drop in the labor force between 1984 and 1985.

[1] Unemployment rate adjusted to include discouraged workers and half of the workers employed part-time for economic reasons.

Source: Bureau of the Census, Current Population Survey.

## Appendix table 2—Metro employment: Quarterly and annual averages

| Year/quarter | Labor force | Labor force participation | Employment | Unemployment | Unemployment rate | Adjusted unemployment rate[1] |
|---|---|---|---|---|---|---|
| | *Thousands* | *Percent* | *Thousands* | *Thousands* | *Percent* | *Percent* |
| 1990: | | | | | | |
| 1st | 97,615 | 67.0 | 92,283 | 5,332 | 5.5 | 7.8 |
| 1989: | | | | | | |
| 4th | 98,191 | 67.5 | 93,242 | 4,949 | 5.0 | 7.3 |
| 3rd | 98,373 | 67.9 | 93,366 | 5,007 | 5.1 | 7.5 |
| 2nd | 97,391 | 67.4 | 92,449 | 4,942 | 5.1 | 7.5 |
| 1st | 96,633 | 66.7 | 91,411 | 5,223 | 5.4 | 7.9 |
| 1988: | | | | | | |
| 4th | 96,886 | 67.0 | 92,139 | 4,748 | 4.9 | 7.4 |
| 3rd | 97,249 | 67.5 | 92,132 | 5,117 | 5.3 | 8.0 |
| 2nd | 95,843 | 66.8 | 90,801 | 5,042 | 5.3 | 7.8 |
| 1st | 95,061 | 66.3 | 89,492 | 5,569 | 5.9 | 8.6 |
| 1987: | | | | | | |
| 4th | 95,433 | 66.6 | 90,347 | 5,086 | 5.3 | 7.9 |
| 3rd | 95,924 | 67.2 | 90,434 | 5,490 | 5.7 | 8.6 |
| 2nd | 94,546 | 66.6 | 88,869 | 5,677 | 6.0 | 8.7 |
| 1st | 93,152 | 65.9 | 86,904 | 6,249 | 6.7 | 9.6 |
| 1989 | 97,660 | 67.4 | 92,624 | 5,036 | 5.2 | 7.5 |
| 1988 | 96,260 | 66.9 | 91,141 | 5,119 | 5.3 | 7.9 |
| 1987 | 94,764 | 66.6 | 89,138 | 5,625 | 5.9 | 8.7 |
| 1986 | 92,665 | 66.2 | 86,508 | 6,157 | 6.6 | 9.5 |
| 1985 | 90,684 | 65.9 | 84,453 | 6,231 | 6.9 | 9.9 |
| 1984 | 78,819 | 65.4 | 73,076 | 5,743 | 7.3 | 10.4 |
| 1983 | 77,394 | 65.1 | 70,137 | 7,257 | 9.4 | 13.1 |
| 1982 | 76,465 | 65.1 | 69,192 | 7,273 | 9.5 | 13.1 |
| 1981 | 73,301 | 64.9 | 67,825 | 5,476 | 7.5 | 10.3 |
| 1980 | 72,207 | 64.8 | 67,120 | 5,087 | 7.0 | 9.5 |
| 1979 | 71,192 | 64.7 | 67,029 | 4,163 | 5.8 | 8.0 |

Note: Beginning in 1985, estimation procedures for the Current Population Survey are based on the 1980 Census.

[1] Unemployment rate adjusted to include discouraged workers and half of the workers employed part-time for economic reasons.

Source: Bureau of the Census, Current Population Survey.

## Appendix table 3—Average unemployment rates for nonmetro county groups

| Item | 1979 | 1982 | 1988 | 1989 |
|---|---|---|---|---|
| | | *Percent* | | |
| U.S. total | 5.8 | 9.7 | 5.5 | 5.3 |
| Metro | 5.7 | 9.3 | 5.1 | 5.0 |
| Nonmetro | 6.1 | 11.1 | 6.9 | 6.4 |
| Region: | | | | |
| Northeast | 7.0 | 10.5 | 4.8 | 5.2 |
| Midwest | 5.5 | 10.8 | 6.3 | 5.9 |
| South | 6.1 | 11.1 | 7.5 | 6.8 |
| West | 7.3 | 12.0 | 8.0 | 7.4 |
| County type: | | | | |
| Agricultural | 5.5 | 9.6 | 6.8 | 6.5 |
| Manufacturing | 6.4 | 12.5 | 6.5 | 6.3 |
| Mining | 6.1 | 11.4 | 9.9 | 8.6 |
| Retirement | 6.6 | 11.3 | 6.8 | 6.5 |
| Urban-rural continuum codes: | | | | |
| Adjacent | 6.2 | 11.4 | 6.6 | 6.2 |
| Urban | 6.4 | 11.7 | 6.2 | 5.9 |
| Less urban | 6.1 | 11.3 | 6.9 | 6.5 |
| Rural | 6.3 | 11.0 | 7.0 | 6.5 |
| Nonadjacent | 6.1 | 10.7 | 7.1 | 6.6 |
| Urban | 6.4 | 10.8 | 7.2 | 6.7 |
| Less urban | 6.0 | 10.8 | 7.1 | 6.6 |
| Rural | 5.9 | 10.2 | 7.1 | 6.5 |

Source: Bureau of Labor Statistics.

## Appendix table 4—Annual average employment change

| Item | 1979-86 | 1986-89 | 1988-89 |
|---|---|---|---|
| | | *Percent* | |
| U.S. total | 10.9 | 7.0 | 2.0 |
| Metro | 12.9 | 7.2 | 2.0 |
| Nonmetro | 3.8 | 6.5 | 2.1 |
| Region: | | | |
| Northeast | 8.9 | 7.6 | 1.8 |
| Midwest | -2.8 | 5.6 | 1.5 |
| South | 6.3 | 6.2 | 1.8 |
| West | 9.0 | 8.4 | 4.3 |
| County type: | | | |
| Agricultural | -3.4 | 3.4 | .8 |
| Manufacturing | 2.9 | 6.7 | 1.6 |
| Mining | -9.6 | -.5 | 1.7 |
| Retirement | 17.8 | 10.5 | 2.8 |
| Urban-rural continuum codes: | | | |
| Adjacent | 6.1 | 7.1 | 2.1 |
| Urban | 7.9 | 7.5 | 1.6 |
| Less urban | 4.5 | 6.7 | 1.9 |
| Rural | 7.9 | 8.3 | 2.6 |
| Nonadjacent | 1.7 | 5.8 | 2.1 |
| Urban | 4.4 | 6.5 | 2.8 |
| Less urban | .5 | 5.7 | 1.8 |
| Rural | .3 | 4.8 | 1.5 |

Source: Bureau of Labor Statistics.

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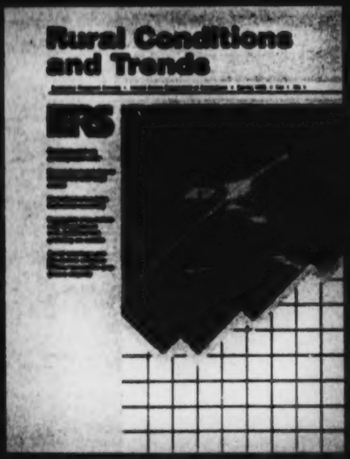
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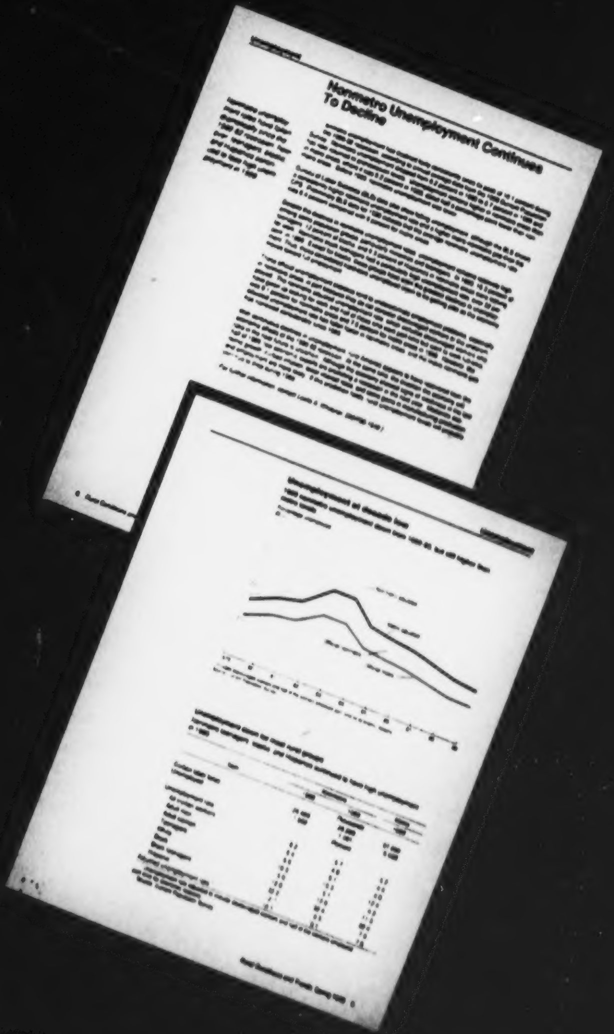
Nonmetro Unemployment Continues To Decline

# Rural Conditions and Trends

Economic Research Service • United States Department of Agriculture • Fall 1990 • Vol. 1, No. 3

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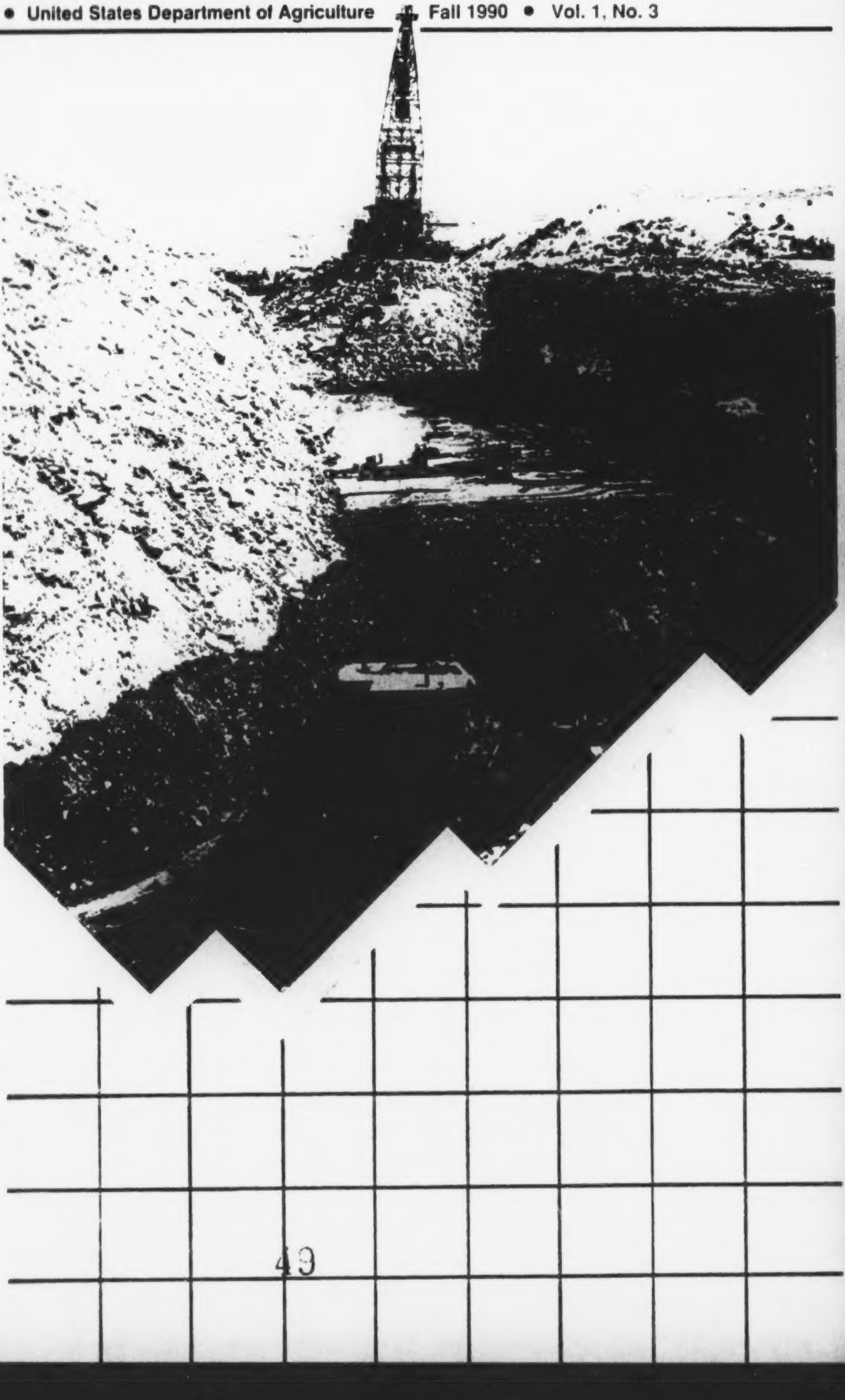
**Rural employment growth slips further to near zero**

**Higher oil prices should help many mining counties**



# Rural Conditions and Trends

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# Rural Economy on Hold

*Rural unemployment remains steady despite a halt in job growth. Questions over the direction of real wages and income continue.*

fter several years of marked improvement, rural employment showed almost no growth between the second quarters of 1989 and 1990, indicating a serious slowdown in the rural economy over the last year. The explanation is related to slow growth in the national economy, which is principally urban. Urban job growth continued, but at a very slow and reduced rate. The difference in the performance of the economy in rural and urban areas over the last year has meant that after a 2-year stretch favoring rural areas, the 1980's pattern of more rapid urban than rural job growth seems likely to return.

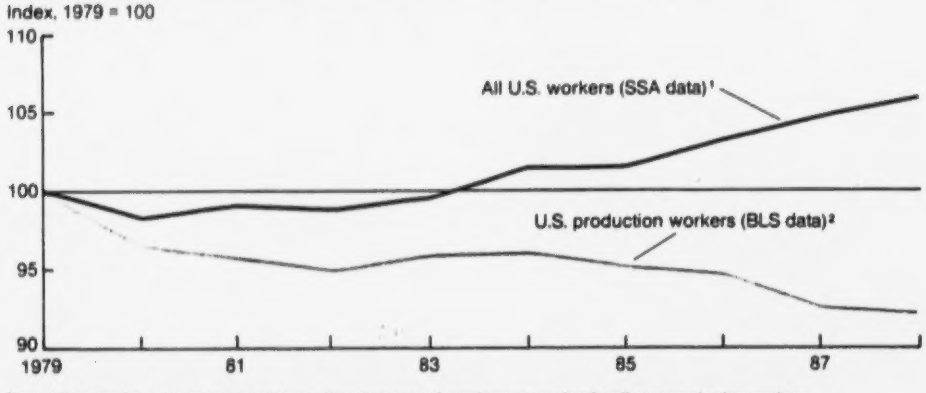
Interpreting what this near standstill in employment means about the health of the rural economy is complicated by the fact that the rural unemployment rate remained relatively stable between the second quarters of 1989 and 1990. Much of the explanation has to be that while the demand for new workers declined, growth in the supply of workers was slow enough that the share of workers actively looking for jobs remained the same. A tapering off of the increase in the proportion of women who work, some growth in early retirement, the relatively low number of teenagers reaching working age, and continuing rural outmigration all contributed to the slow growth in the number of people working or looking for work.

The implications of these job growth and unemployment trends for real earnings are in part a function of the types of jobs, new and old, in the labor market. A recent *Wall Street Journal* article by Robert Myers points out a divergence in national real wage trends in the 1980's as measured by Bureau of Labor Statistics (BLS) and Social Security Administration (SSA) data. These differences reflect the types of jobs covered by the data series—nonsupervisory production and service workers in the BLS data and all workers in the SSA data—and have important implications for rural areas with their disproportionate share of production workers. Myers noted that average real wages for the Nation fell significantly between 1979 and 1988, according to the BLS data. SSA data, however, indicate real wages edged up. No analysis yet lets us know directly what has happened to real wages in rural areas over the decade. What we know about the occupational structure of rural areas, however, suggests that rural workers are more likely to have encountered the wage losses captured by the BLS data than the modest success represented in the SSA data.

These trends in real wages for all workers compared with production workers are consistent with our overall understanding that the 1980's represented a watershed for rural areas in terms of their economic comparative advantage. Rural growth in the 1980's was strongest when national growth was both sustained and rapid, as it was in 1987 and 1988. With the national economy now slowing, the rural economy has virtually stopped growing. Urban areas appear poised to dominate as they did for most of the 1980's.

**The growing earnings gap**

**Earnings for production workers declined as they grew for all workers**



[1] Social Security Administration wage data are based on annual earnings per worker for all wage and salary workers.

[2] Bureau of Labor Statistics wage data are based on weekly earnings per job for private, nonagricultural wage and salary workers in production/nonsupervisory jobs.

# Economic Growth Slows and Inflation Continues

*The economic expansion continues at a slower rate than previously estimated. Inflation pressures have increased due to the oil price shock.*

Two events have modified the general economic outlook: revisions of the gross national product (GNP) lowered estimates of growth in national output for the past 3-1/2 years, and the price of oil surged in August. Higher oil prices directly raise energy prices and will indirectly raise prices for other goods and services. The revisions and inflation pressures suggest reduced prospects for growth.

In the July GNP revisions, the U.S. Department of Commerce lowered most of the quarterly GNP growth rates for the past 13 quarters. Different components of GNP were responsible for each of the yearly adjustments. For 1987, the GNP estimate fell due to lower estimated nonresidential investment. Lower nonresidential investment and business inventories were responsible in 1988. In 1989, much lower consumer services spending reduced estimated annual growth.

The 1989 revised real growth rate of 2.5 percent (down from 3 percent) showed that the economy's growth was less robust than previously thought. The quarterly growth rate began softening in the second quarter instead of the fourth. Estimated first-quarter 1990 growth fell from 1.9 to 1.7 percent. The economy continued to grow, but weakly rather than moderately.

Personal income estimates also changed between 1987 and 1989; the most significant revision occurred for 1989 when the income estimate was lowered by $43 billion. Estimated personal saving as a percentage of personal income was revised downward to 4.6 percent in 1989 from the originally reported 5.4 percent. The revised estimates showed that per capita real disposable income rose 0.4 percent in 1987, 3.9 percent in 1988, and 1.4 percent in 1989.

### First-Half Inflation Mixed

Inflation pressures have continued in 1990. In 1989, the Consumer Price Index rose 4.6 percent and the Producer Price Index increased 4.9 percent. Inflation rose in the first quarter of 1990 due to the January rise in oil and food prices, but dropped in the second quarter as energy prices declined. During the first half of 1990, consumer price inflation was at an annual rate of 6.1 percent, and producer price inflation was a lower 3.7 percent.

Much of the movement in the price indexes originated in the volatile food and energy components. Producer energy prices rose 13.7 percent in January, but steadily declined between February and July. An 8-percent increase in consumer food prices between August 1989 and January 1990 tapered to 3.4 percent between February and July.

The rate of change in producer prices excluding food and energy components—an underlying rate of inflation—rose at an annual rate of 3.4 percent during the first 7 months of 1990. Between April and July, the annual rate was only 2.9 percent. Inflation measured by the Consumer Price Index, less food and energy, was at an annual rate of 4.5 percent for the second half of 1989 and 6.1 percent for the first half of 1990. Higher prices for services—particularly shelter, medical care, and apparel—contributed greatly. Because service inflation rates were about the same in the first half of 1990 as for all of 1989, a substantial decrease in service inflation would be necessary for a significant drop in overall consumer price inflation to occur.

### Higher Oil Prices Complicate Inflation Fight

The greatest obstacle to economic growth is the recent oil price hike. The price of oil is a significant factor in economic growth. The world oil price was about $27 per barrel in 1985, but dropped to an average $14.50 in 1988. This decline, combined with other forces, spurred economic activity between 1986 and 1988. Prices in 1989 climbed past $17 per barrel, and severe winter weather boosted prices again in early 1990.

Oil prices started falling in February, dropping to $14.30 per barrel in June. The lower prices helped ease inflation pressures on a weakening economy. Oil prices have doubled since June, fanning inflation and increasing the costs of production. Several months will pass, however, before the price increases hit all sectors of the economy.

### U.S. Dollar Value Falls

Slow domestic economic growth and rising inflation have been factors leading to a weaker dollar. The value of the dollar appreciated 6.1 percent in 1989, as measured by the Federal Reserve in a 10-country, trade-weighted index, but fell 4.1 percent between the fourth quarter of 1989 and the first quarter of 1990. The dollar has continued to slide in 1990, and by August was more than 10 percent below the annual value for 1989.

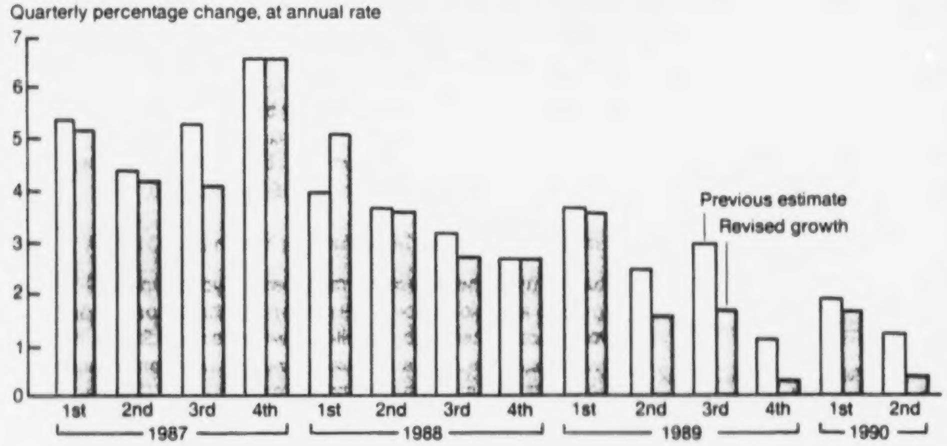
### Implications for Rural-Urban Unemployment

The overall economic outlook for slow growth points to higher national unemployment rates, implying the likelihood of higher rural unemployment. Preliminary research, however, suggests that rural areas may benefit more from dollar depreciation and the resulting export growth than urban areas. The expected dollar depreciation should help limit the increase in the rural unemployment rate if the general economy slows further, counteracting the usual tendency for rural unemployment to rise more rapidly in a downturn.

Higher oil prices will not uniformly affect rural areas. Unemployment in farming-dependent areas may not increase significantly by year's end despite higher oil prices. Manufacturing-dependent rural areas may face higher unemployment because of sharply higher production costs. Recent increases in mining employment and higher oil prices should help mining-dependent areas that have suffered high unemployment rates. *[This analysis reflects data available as of Sept. 24, 1990. For further information, contact Karen Hamrick or Elizabeth Mack, 202/219-0782.]*

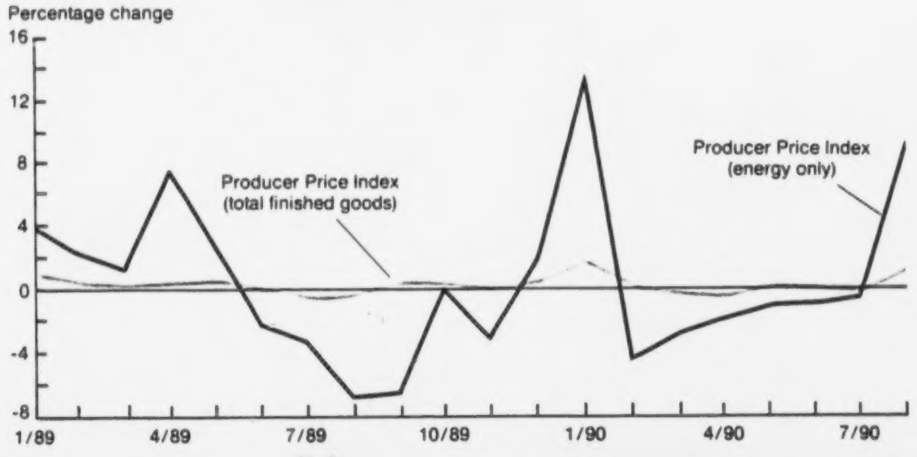
## GNP estimates lowered

**Growth in U.S. economy not as robust as previously predicted**



## Producer Price Index reacts to energy prices

**Recent energy price rise threatens higher inflation**



# Rural Employment Growth at Near Standstill

*Second-quarter 1990 rural employment growth fell to near zero, as a stalling national economy hurt rural areas. Rural employment growth among youths and older workers fell compared with the same period in 1989. However, rural labor force participation remained at a near-record high.*

ural employment growth declined to near zero during the second quarter of 1990, falling from 3.92 percent between the second quarters of 1988 and 1989 to 0.06 percent between 1989 and 1990, according to the Current Population Survey (CPS). For the third consecutive quarter, rural employment growth declined. Urban employment growth slowed more moderately, dropping from 1.81 percent between the second quarters of 1988-89 to 1.12 percent during 1989-90.

The near standstill in rural job growth between the second quarters of 1989 and 1990 suggests that rural areas are being hit harder than urban areas as the overall economy slows.

Both rural and urban employment growth rates were at their lowest second-quarter levels since the 1980-82 recession despite the hiring of more than 300,000 temporary Census workers, according to CPS data. This slowdown in employment growth also reverses the recent trend of rural growth exceeding urban growth.

Preliminary Bureau of Labor Statistics (BLS) county-level estimates, while not as precipitous, show a similar downturn with rural job growth slowing to 0.99 percent between the second quarters of 1989 and 1990. Urban employment growth dropped to 0.83 percent for the same period.

### Rural Labor Force Participation Remains High

During the second quarter of 1990, 63.2 percent of the rural civilian population age 16 and older was in the labor force, about the same as a year earlier. CPS data indicate that rural labor force participation has stayed high partly because of slow labor force growth. The number of rural youths aged 16-24 entering the civilian labor force declined 4.5 percent in the second quarter, a major contributor to the slowdown. Urban labor force participation remained unchanged at 67.4 percent in the second quarters of 1989 and 1990.

### Employment Drops Most Among Youth and Older Workers

Rural employment declined most among youth aged 16-24 (down 4.7 percent) and workers aged 55 and older (down 3.9 percent) in the second quarter of 1990. Employment among rural women remained stable, while for workers aged 35-54, it increased 3.5 percent from the same period last year. Urban employment growth among these same groups has been mixed, however. Urban employment among youth dropped 3.6 percent between the second quarters of 1989 and 1990. Urban employment among women rose 1.8 percent; among the 35-54 age group, 3.4 percent; and among older workers, 1.4 percent. *[For further information, contact Tim Parker, 202/219-0540.]*

**Nonmetro job growth near zero**

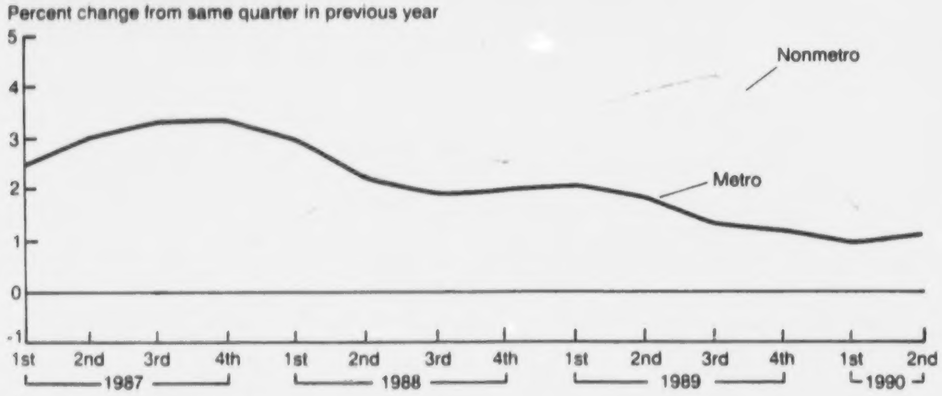
Nonmetro employment growth dropped rapidly in the second quarter of 1990

| Item | 1986-87 | 1987-88 | 1988-89 | 1989-90 |
|---|---|---|---|---|
| | *Percentage change from previous second quarter* | | | |
| Current Population Survey: | | | | |
| Nonmetro | 1.30 | 2.31 | 3.92 | 0.06 |
| Metro | 3.06 | 2.17 | 1.81 | 1.12 |
| United States | 2.68 | 2.20 | 2.26 | .89 |
| Bureau of Labor Statistics: | | | | |
| Nonmetro | 1.46 | 2.46 | 2.26 | .99 |
| Metro | 2.79 | 2.21 | 2.21 | .83 |
| United States | 2.51 | 2.26 | 2.22 | .86 |

Source: Current Population Survey and Bureau of Labor Statistics county data.

## Rural, urban job trends often move in opposite directions

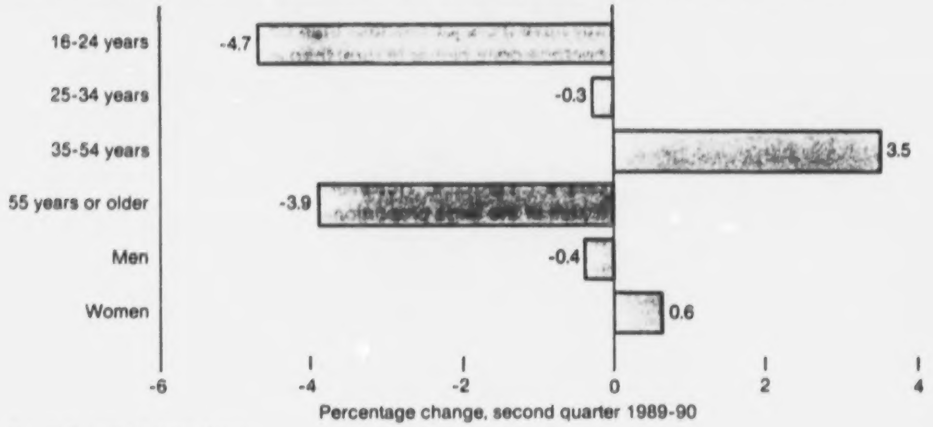
**Second-quarter growth rates were lowest since 1980-82 recession, as U.S. economy slowed**



Source: Current Population Survey.

## Rural employment effects vary by worker group

**Youths and older workers lost most between second quarters of 1989 and 1990**



Source: Current Population Survey.

# Rural Unemployment Shows No Change in Second Quarter of 1990

*Rural unemployment rates held steady between the second quarters of 1989 and 1990, after several years of consistent decline. About the same number of rural residents were looking for work in mid-1990 as a year before.*

Rural unemployment remained unchanged between the second quarters of 1989 and 1990, according to Current Population Survey (CPS) data. The rural unemployment rate for both periods was 5.6 percent, and 1.5 million rural residents were looking for work in the second quarter of this year. Because these quarterly data are not adjusted for seasonal variation, comparisons are made with the same quarter a year earlier. Urban unemployment was 5.1 percent, also unchanged from a year earlier.

Bureau of Labor Statistics (BLS) data also report stable rural unemployment rates, although BLS shows a consistently higher rural rate and a greater rural-urban gap than CPS. Preliminary BLS data show the average rural unemployment rate in second quarter 1990 was 6.2 percent compared with 6.3 percent for a year earlier. Urban unemployment, according to BLS, stood at 5 percent.

Since 1986, rural unemployment has consistently declined and has now stabilized at the lowest rate in 10 years. This stability may mean that rural unemployment rates are leveling off as rural areas recover from the 1980-82 recession, but it more likely reflects the slowing national economy seen since late 1989.

### Rural-Urban Differences Continue

Because both urban and rural unemployment rates are holding steady, rural areas on average still have more joblessness than urban areas. However, overall unemployment rates, 0.5 percentage point higher in rural than in urban areas in the second quarter of 1990, mask considerable variation within both areas. Central cities, with about 29 percent of the urban labor force, had a 6.4-percent unemployment rate, considerably higher than the rural average.

Rural farm areas, with about 7 percent of the rural labor force, had an average unemployment rate of 1.9 percent. However, unemployment may be underestimated in rural farm areas because of the large proportions of self-employed agricultural workers. Self-employed individuals are counted as employed even if they work at their enterprise very little or have lost a primary nonfarm job.

### Minorities and Youth Have Highest Unemployment

Unemployment rates were stable for the major racial/ethnic, gender, and age groups between the second quarters of 1989 and 1990. While unemployment did not worsen for youth and minorities—groups generally hit hardest during past economic slowdowns—these workers continued to face relatively high levels of unemployment. In the second quarter of 1990, 15.8 percent of teenagers, 11.3 percent of blacks, and 10.9 percent of Hispanics were looking for work. Unemployment rates for the groups were high in metro areas as well.

These official unemployment rates tend to underestimate unemployment, especially in rural areas, because they do not consider discouraged workers or the underemployed. The rural adjusted unemployment rate, including discouraged workers who have given up their search for work and half of those who work part-time but want to work full-time, was 8.9 percent in rural areas and 7.4 percent in urban areas in the second quarter of 1990. For rural minorities and youths, the adjusted unemployment rates are even higher with over 16 percent of rural blacks and Hispanics and 21 percent of teenagers unemployed.

How the economy will change in the near future is unclear, but many of the Nation's leading economic indicators have worsened recently. Higher oil prices resulting from the developments in the Middle East are expected to contribute to slower growth in the United States. During past economic recessions, the rural economy deteriorated further and recovered more slowly than the urban economy. A more favorable exchange rate now compared with that of earlier periods may help lessen the rural impacts of a national economic downturn. However, it is likely that rural areas will see higher unemployment rates and a worsening employment picture if the national economy falters in the near future. *[For further information, contact Leslie A. Whitener, 202/219-0540.]*

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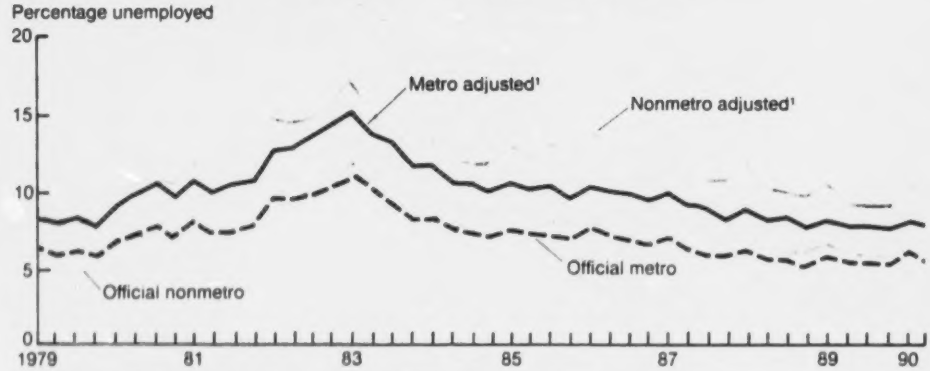
## Rural unemployment stable

**Second-quarter rural unemployment held at the same rate as a year earlier, the second consecutive quarter to match the previous year's rate**



[1]Includes discouraged workers and half of the workers employed part-time for economic reasons.
Source: Current Population Survey

## Nonmetro unemployment remains higher than metro

Unemployment rates for blacks, Hispanics, and youth remain high in both areas

| | Nonmetro | Metro |
|---|---|---|
| Item | 2nd quarter 1990 | 2nd quarter 1990 |
| | *Thousands* | |
| Civilian labor force | 26,417 | 98,504 |
| Unemployed | 1,483 | 5,024 |
| | *Percent* | |
| Unemployment rate: | | |
| All civilian workers | 5.6 | 5.1 |
| Adult men | 4.7 | 4.5 |
| Adult women | 5.0 | 4.3 |
| Teenagers | 15.8 | 15.7 |
| Whites | 5.0 | 4.4 |
| Blacks | 11.3 | 10.5 |
| Black teenagers | 32.9 | 31.2 |
| Hispanics | 10.9 | 7.3 |
| Adjusted unemployment rate[1] | 8.9 | 7.4 |

[1] Unemployment rate adjusted to include discouraged workers and half of the workers employed part-time for economic reasons.

Source: Bureau of the Census, Current Population Survey.

## Appendix: Data Sources and Definitions

### Data Sources

Assessing the changing conditions and trends in rural America is complicated by the need to use a variety of data sources for monitoring demographic and economic patterns. Because different sources of data are intended for different purposes and employ different definitions and collection methods, they sometimes produce contradictory statistics and may lead to different interpretations. Describing rural conditions, therefore, necessitates piecing together general trends from many sources of information, not all of which are used each issue.

**Macroeconomic conditions:** The economic indicators used to monitor macroeconomic changes in the U.S. economy are derived from Federal sources. Measures of inflation, including the Consumer and Producer Price Indexes, and employment and unemployment data are developed by the U.S. Department of Labor's Bureau of Labor Statistics (BLS). National income and product account information on capital investment, gross national product, and net exports is produced by the Bureau of Economic Analysis (BEA), U.S. Department of Commerce. Information relating to monetary policy, including changes in interest rates and foreign exchange rates, and data on industrial production are furnished by the Federal Reserve Board of Governors.

**Employment and earnings:** Data on nonmetro employment, unemployment, and earnings come from three sources. The monthly Current Population Survey (CPS), conducted by the Bureau of the Census for the U.S. Department of Labor, provides detailed information on the labor force, employment, unemployment, and demographic characteristics of the metro and nonmetro population. CPS derives estimates based on a national sample of about 58,000 households that are representative of the U.S. civilian noninstitutional population 16 years of age and over. Labor force information is based on respondents' activity during 1 week each month.

BLS county-level employment data are taken from unemployment insurance claims and State surveys of establishment payrolls which are then benchmarked to State totals from the CPS. Thus, at the national and State levels, annual average BLS and CPS estimates are the same. The BLS data series provides monthly estimates of labor force, employment, and unemployment for individual counties.

BEA employment data, unlike the household data collected by the CPS and BLS, provide establishment data on the number of jobs rather than the number of workers. BEA data provide detailed information on the number and type of jobs, earnings by industry, and sources and amounts of income at the county level.

Each of these data sets has its advantages and disadvantages. CPS furnishes detailed employment, unemployment, and demographic data for metro and nonmetro portions of the Nation. BEA provides estimates of the number of jobs and earnings by industry for individual county areas. BLS provides less detailed employment data than the other two series, but offers very current and timely employment and unemployment information at the county level. While these data sources are likely to provide different estimates of employment conditions at any point in time, they generally indicate similar trends.

### Definitions

Throughout ***Rural Conditions and Trends,*** we use "rural" and "nonmetro" interchangeably. The same holds for "urban" and "metro." However, in tables we use "nonmetro" and "metro," the original and more accurate terms used in the data sources.

**Adjusted unemployment rate:** The number of unemployed people, discouraged workers who have given up looking for work, and half of the workers who work part-time but want full-time work as a percentage of the civilian labor force plus discouraged workers.

**Consumer Price Index (CPI):** A measure of the average price level of a basket of consumer goods and services at the retail level for a specific period compared against a benchmark period.

**County type classification:** A recently updated USDA classification of nonmetro counties by principal economic activity or demographic base, such as farming-, manufacturing-, or mining-dependent, persistent poverty, or retirement destination, among others. The classification is used to depict the social and economic structure of rural America.

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Farming-dependent counties include counties where farming accounted for a weighted annual average of 20 percent or more of total labor and proprietor income (TLPI) in 1981, 1982, 1984, 1985, and 1986. Manufacturing-dependent counties included those where manufacturing contributed 30 percent or more of TLPI in 1986. Mining-dependent counties included those where mining contributed 20 percent or more to TLPI in 1986. Retirement counties included those counties where the net inmigration rates of people age 60 and over were 15 percent or more of the expected 1980 population aged 60 and over for the period 1970-80.

For further information, see Thomas F. Hady and Peggy J. Ross, ***An Update: The Diverse Social and Economic Structure of Nonmetropolitan America***, AGES 9036, U.S. Department of Agriculture, Economic Research Service, June 1990.

**Foreign exchange rate:** The rate at which one currency is traded for another. The Federal Reserve publishes a measure of the overall U.S foreign exchange rate based on the rates of the 10 major U.S. trading partners.

**Gross national product (GNP):** The dollar amount of final goods and services produced by the United States. GNP is the sum of consumer spending, Federal Government purchases of goods and services, business investment, and exports less the amount of imports. This statistic is reported quarterly but is revised in each of the 2 months following the initial release. Nominal GNP measures final goods and services at current prices. Real GNP measures final goods and services at 1982 prices to adjust for inflation.

**Inflation rate:** The percentage change in a measure of the average price level. Changes are reported on a monthly basis and are stated as annual rates for longer term comparisons. The two major measures of the average price level are the Consumer and Producer Price Indexes.

**Labor force participation rate:** The civilian labor force as a percentage of the civilian noninstitutional population age 16 and older.

**Metro areas:** Metropolitan Statistical Areas (MSA's), as defined by the Office of Management and Budget, include core counties containing a city of 50,000 or more people or containing several smaller cities totaling 50,000 or more people and a total area population of at least 100,000. Additional contiguous counties are included in the MSA if they are economically and socially integrated with the core county. Metro areas are divided into central cities and areas outside central cities (suburbs). Throughout this publication, urban and metro have been used interchangeably to refer to people or places within MSA's.

**Nonmetro areas:** Counties outside of metro area boundaries. Throughout this publication, rural and nonmetro are used interchangeably to refer to people and places outside of MSA's.

**Producer Price Index:** A measure of the average price received by producers of finished goods at the wholesale level during a specific period compared against a benchmark period.

**Unemployment rate:** The number of unemployed people 16 years and older as a percentage of the civilian labor force 16 years and older.

## Appendix Tables

**Appendix table 1—Nonmetro employment: Quarterly and annual averages**

| Year/quarter | Labor force | Labor force participation | Employment | Unemployment | Unemployment rate | Adjusted unemployment rate[1] |
|---|---|---|---|---|---|---|
| | *Thousands* | *Percent* | *Thousands* | | *Percent* | |
| 1990: | | | | | | |
| 2nd | 26,417 | 63.2 | 24,934 | 1,483 | 5.6 | 8.9 |
| 1st | 25,893 | 62.2 | 24,196 | 1,697 | 6.6 | 10.0 |
| 1989: | | | | | | |
| 4th | 26,168 | 62.8 | 24,778 | 1,390 | 5.3 | 8.6 |
| 3rd | 26,783 | 64.1 | 25,323 | 1,459 | 5.4 | 8.7 |
| 2nd | 26,389 | 63.5 | 24,919 | 1,470 | 5.6 | 8.9 |
| 1st | 25,441 | 62.2 | 23,807 | 1,634 | 6.4 | 10.2 |
| 1988: | | | | | | |
| 4th | 25,510 | 62.8 | 24,042 | 1,469 | 5.8 | 9.4 |
| 3rd | 25,793 | 63.2 | 24,294 | 1,499 | 5.8 | 9.6 |
| 2nd | 25,513 | 62.4 | 23,978 | 1,535 | 6.0 | 9.8 |
| 1st | 24,819 | 61.2 | 22,996 | 1,823 | 7.3 | 11.6 |
| 1987: | | | | | | |
| 4th | 25,087 | 62.3 | 23,449 | 1,638 | 6.5 | 10.6 |
| 3rd | 25,277 | 62.9 | 23,634 | 1,643 | 6.5 | 10.5 |
| 2nd | 25,186 | 62.2 | 23,437 | 1,749 | 6.9 | 10.9 |
| 1st | 24,856 | 61.0 | 22,688 | 2,167 | 8.7 | 13.1 |
| 1989 | 26,209 | 63.2 | 24,718 | 1,491 | 5.7 | 9.1 |
| 1988 | 25,409 | 62.4 | 23,827 | 1,582 | 6.2 | 10.1 |
| 1987 | 25,101 | 62.1 | 23,302 | 1,799 | 7.2 | 11.3 |
| 1986 | 25,171 | 61.9 | 23,091 | 2,080 | 8.3 | 12.8 |
| 1985 | 24,781 | 61.2 | 22,700 | 2,081 | 8.4 | 13.0 |
| 1984 | 34,725 | 62.1 | 31,930 | 2,796 | 8.1 | 12.2 |
| 1983 | 34,156 | 61.8 | 30,696 | 3,460 | 10.1 | 14.9 |
| 1982 | 33,740 | 61.7 | 30,335 | 3,405 | 10.1 | 14.9 |
| 1981 | 33,092 | 61.9 | 30,488 | 2,603 | 7.9 | 11.5 |
| 1980 | 32,512 | 61.7 | 30,150 | 2,362 | 7.3 | 10.7 |
| 1979 | 31,716 | 61.5 | 29,916 | 1,800 | 5.7 | 8.5 |

Note: Beginning in 1985, estimation procedures for the Current Population Survey are based on the 1980 Census. Their change accounts for the large drop in the labor force between 1984 and 1985.

[1] Unemployment rate adjusted to include discouraged workers and half of the workers employed part-time for economic reasons.

Source: Bureau of the Census, Current Population Survey.

## Appendix table 2—Metro employment: Quarterly and annual averages

| Year/quarter | Labor force | Labor force participation | Employment | Unemployment | Unemployment rate | Adjusted unemployment rate[1] |
|---|---|---|---|---|---|---|
| | *Thousands* | *Percent* | *Thousands* | *Thousands* | *Percent* | *Percent* |
| 1990: | | | | | | |
| 2nd | 98,504 | 67.4 | 93,480 | 5,024 | 5.1 | 7.4 |
| 1st | 97,615 | 67.0 | 92,283 | 5,332 | 5.5 | 7.8 |
| 1989: | | | | | | |
| 4th | 98,191 | 67.5 | 93,242 | 4,949 | 5.0 | 7.3 |
| 3rd | 98,373 | 67.9 | 93,366 | 5,007 | 5.1 | 7.5 |
| 2nd | 97,391 | 67.4 | 92,449 | 4,942 | 5.1 | 7.5 |
| 1st | 96,633 | 66.7 | 91,411 | 5,223 | 5.4 | 7.9 |
| 1988: | | | | | | |
| 4th | 96,886 | 67.0 | 92,139 | 4,748 | 4.9 | 7.4 |
| 3rd | 97,249 | 67.5 | 92,132 | 5,117 | 5.3 | 8.0 |
| 2nd | 95,843 | 66.8 | 90,801 | 5,042 | 5.3 | 7.8 |
| 1st | 95,061 | 66.3 | 89,492 | 5,569 | 5.9 | 8.6 |
| 1987: | | | | | | |
| 4th | 95,433 | 66.6 | 90,347 | 5,086 | 5.3 | 7.9 |
| 3rd | 95,924 | 67.2 | 90,434 | 5,490 | 5.7 | 8.6 |
| 2nd | 94,546 | 66.6 | 88,869 | 5,677 | 6.0 | 8.7 |
| 1st | 93,152 | 65.9 | 86,904 | 6,249 | 6.7 | 9.6 |
| 1989 | 97,660 | 67.4 | 92,624 | 5,036 | 5.2 | 7.5 |
| 1988 | 96,260 | 66.9 | 91,141 | 5,119 | 5.3 | 7.9 |
| 1987 | 94,764 | 66.6 | 89,138 | 5,625 | 5.9 | 8.7 |
| 1986 | 92,665 | 66.2 | 86,508 | 6,157 | 6.6 | 9.5 |
| 1985 | 90,684 | 65.9 | 84,453 | 6,231 | 6.9 | 9.9 |
| 1984 | 78,819 | 65.4 | 73,076 | 5,743 | 7.3 | 10.4 |
| 1983 | 77,394 | 65.1 | 70,137 | 7,257 | 9.4 | 13.1 |
| 1982 | 76,465 | 65.1 | 69,192 | 7,273 | 9.5 | 13.1 |
| 1981 | 73,301 | 64.9 | 67,825 | 5,476 | 7.5 | 10.3 |
| 1980 | 72,207 | 64.8 | 67,120 | 5,087 | 7.0 | 9.5 |
| 1979 | 71,192 | 64.7 | 67,029 | 4,163 | 5.8 | 8.0 |

Note: Beginning in 1985, estimation procedures for the Current Population Survey are based on the 1980 Census.

[1] Unemployment rate adjusted to include discouraged workers and half of the workers employed part-time for economic reasons.

Source: Bureau of the Census, Current Population Survey.

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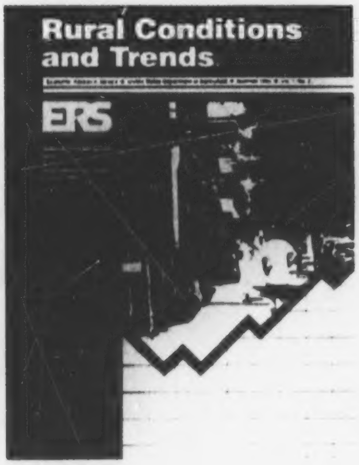

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# Rural Conditions and Trends

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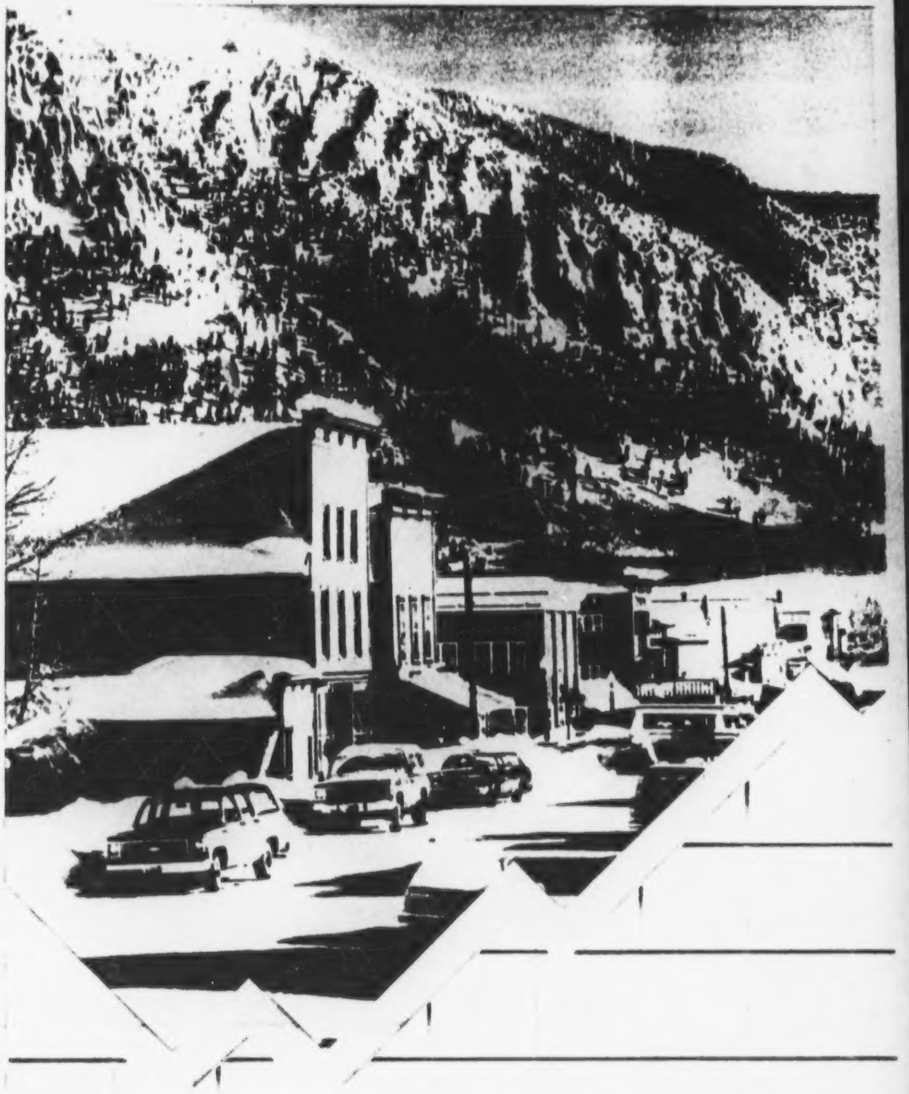
Rural employment down

National economy contracts



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# Arrival of Recession Raises Questions about Rural Effect

Current economic indicators suggest, and most economists agree, that total U.S. economic activity is now contracting. Less clear is the shape of the downturn and how its particular characteristics may affect the rural economy. Will the slowdown follow the same pattern as the back-to-back recessions of the early 1980's in which rural areas suffered more and took longer to recover? Are the structure of the rural economy and the nature of the current slowdown and global economic conditions now sufficiently different from conditions in the early 1980's to suggest that this slowdown will play out somewhat differently in rural areas?

*The current downturn in the economy appears to be broader than those in the early 1980's which hit manufacturing especially hard. This difference suggests that the effects of this downturn in rural areas may well differ from those of the earlier recessions.*

It will take at least several months to tell how this downturn will affect rural areas. Some surprises between now and then are almost certain. In the meantime, several differences in the current circumstances (compared with those a decade ago) seem important to monitor.

The severity of the 1980's recessions in rural areas is often attributed to the fact that manufacturing, disproportionately important to the rural economy, faltered so much. One adjustment manufacturers made was to lay off their production workers, also disproportionately found in rural areas. Management, more concentrated in urban areas, was less affected.

Early readings suggest the current slowdown is less focused on manufacturing. If anything, the financial and real estate industries are experiencing the most stress, and they are less important in the rural economy. However, over the last decade, a sorting-out process has occurred within manufacturing, leaving rural areas with a larger share of the more labor-intensive routine manufacturing and urban areas with proportionately more capital-intensive complex manufacturing than in the early 1980's. Thus, any slowdown in manufacturing will probably hurt rural more than urban employment.

Two other new factors relating to the structure of the rural economy also appear to be important in influencing the shape of the rural slowdown. First, farming is much better off now than in the early 1980's. The sector has gone through major financial restructuring since then and has far fewer liquidity problems. Short of a collapse in global markets, farming should not suffer more than any other sector.

Second, over the last decade, the rural economy, like the urban economy, has become more service oriented. If the current downturn is focused as much on services as on the goods-producing sector, as current indicators suggest, then it may well hit rural areas harder than it would have if the structure of the rural economy were the same as a decade ago.

Global conditions also seem important to watch. In the second and more severe of the early 1980's recessions, the value of the dollar was relatively high and rising, making products manufactured in the United States less competitive in world markets. A worldwide recession further reduced foreign demand for rural products. The value of today's dollar is much lower in relation to the currency of other developed nations, and at least some of our major trading partners do not appear to be headed for the same slowdown we are in. If these conditions hold, they should moderate the severity of a rural slowdown.

The nature of the rural slowdown may well be different in regional terms also. The recessions of the early 1980's were especially intense in the rural "rust belt" of the Midwest. This time, all regions seem to be experiencing some slowdown in employment growth, with no one region being particularly hard hit so far.

# Recession Talk Dominates Macroeconomic Scene

*Evidence suggests that the economy entered a recession in the second half of 1990. Credit constraints and the negative effects of the Persian Gulf situation contributed significantly to the weakening of the general economy. However, the current low exchange value of the dollar should promote U.S. exports and reduce the severity of the downturn, and a recession should lead to lower inflation and lower interest rates. The low inflation, interest rates, and exchange value of the dollar should help reduce the negative effects of the recession on rural areas.*

n 1990, the economy entered its eighth year of expansion. However, as the year progressed, a growing number of economists became convinced that the expansion was ending. High debt levels, falling real estate values, and instability in financial markets combined with slow growth at the end of 1989 to reduce growth prospects in 1990. The surge in crude oil prices in August 1990 led to higher inflation, higher long-term interest rates, and further economic weakness. By the end of the year, though, inflation and interest rates were falling as the economy contracted and oil prices fell. However, the contractionary effects may not be as severe as in the recessions of the early 1980's.

### Weak National Economy in 1990

The downturn at the end of the year pulled real growth for 1990 down to 0.9 percent from 2.5 percent in 1989. Interest- and credit-sensitive spending was particularly hard hit with real consumption spending and investment falling significantly in the final quarter of the year. Labor markets also felt recession pressures as the unemployment rate rose from 5.2 percent in June, a low not seen since the early 1970's, to 6.1 percent in December. In the second half of 1990, a significant decline in manufacturing activity led to a 3-percent drop in industrial production and a fall in capacity utilization from 84 percent to 80 percent.

The oil price surge in August fueled inflation in 1990; inflation as measured by the Consumer Price Index (CPI) rose 5.4 percent, up slightly from 4.9 percent in 1989. Despite the higher inflation, most short-term interest rates fell throughout 1990, and the bank prime rate held steady at 10 percent.

### A Rebound in the Second Half of 1991?

The economy will likely continue to be weak in the first half of 1991. Future economic performance will depend on several factors. One is the degree to which credit is available. The savings-and-loan situation, falling real estate values, and tighter Federal bank regulations have led many banks to restrict the amount of available credit. Another potential problem is the Persian Gulf situation and its effect on oil prices and expectations. On the other hand, the low value of the dollar and moderate growth forecasts for most major trading partners of the United States add up to a moderately bright net export outlook.

Fiscal and monetary policies will also play important roles. On the fiscal side, the budget agreement passed in October is slightly restrictive rather than expansionary. The agreement suggests a fiscal policy outlook of higher taxes and, in the future, slight declines in Federal purchases of goods and services. In the short run, though, Federal spending will likely rise as a result of expenditures for Operation Desert Storm.

Over the past several years, monetary policy was somewhat restrictive as the Federal Reserve focused on eliminating inflation. During the second half of 1990, though, the Fed pushed interest rates down and lowered bank reserve requirements as economic growth slowed.

### More Severe Macro Environment in Prior Recessions

Economic statistics describing the U.S. economy in recent quarters are not as dramatic as those for the two recessions of the early 1980's (January 1980 to July 1980 and July 1981 to November 1982). The macroeconomic environment in the periods leading into those recessions was harsh, characterized by high inflation, high interest rates, and high unemployment rates. Consumer price inflation, which had started to spiral up in 1978, peaked at about 15 percent in early 1980. Double-digit rates did not begin to moderate until 1982. The bank prime rate peaked initially in early 1980 at nearly 20 percent and then fell during the 1980 recession. In 1981, economic pressures caused the prime rate to surge upward again and exceed 20 percent, just as the economy slid into another recession. Unemployment rates in 1982 surpassed the 1980 peak of 7.8 percent, climbing to 10.8 percent at the end of 1982.

During each recession period, total investment, both residential and business, declined more than other GNP components. Consumer spending was flat or down, and government spending increases were modest. However, the behavior of net exports was quite different, directly affecting the relative severity of the recessions. The low exchange value of the dollar preceding the 1980 recession promoted growth in net exports during that recession. During the more severe 1982 recession, the value of the dollar climbed and net exports fell.

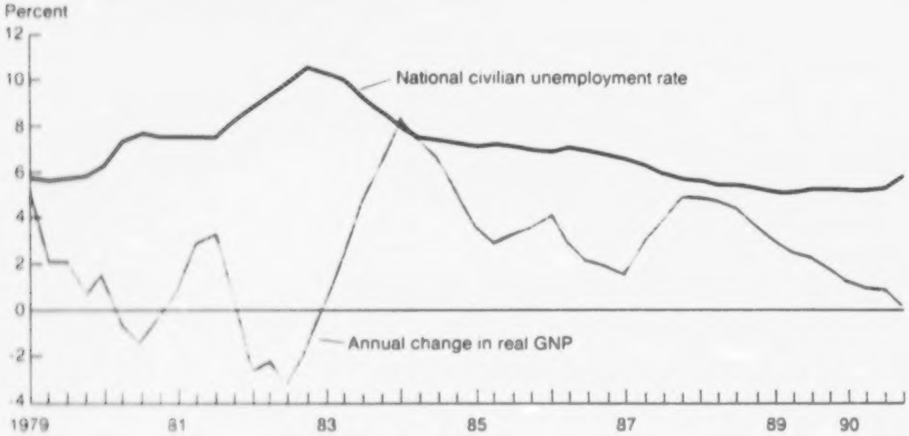
### Implications for Rural Unemployment

Over the last two decades, international trade has become increasingly important in determining the rural unemployment rate. The rural unemployment rate increased during the recessions of the early 1980's, but the difference between the rural and urban rates rose only slightly. Comparing the last recession with the current economic environment suggests that deterioration in net exports contributed to rural unemployment in 1982, whereas recent declines in the value of the dollar and expected improvements in net exports should help temper increases in the rural unemployment rate during the current recession.

The civilian unemployment rate will likely continue to rise into 1991 from the 6.1 percent level of December 1990. The rural unemployment rate should show similar, but not disproportionate, increases. *[This analysis reflects data available as of January 25, 1991. Karen Hamrick, John Kitchen, Elizabeth Mack, 202/219-0782.]*

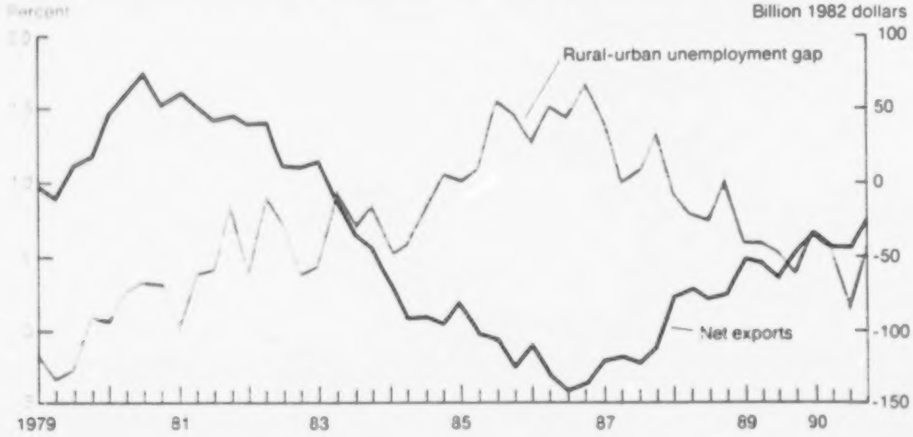
### National unemployment and GNP

**Unemployment rises as economic growth slows**



### Trade and rural unemployment

**But as net exports increase, the difference between rural and urban rates narrows**



# Rural Employment Declines

*Rural employment fell by 164,000 workers between the third quarters of 1989 and 1990, the first loss for rural areas since the 1980-82 recessions. The effect of this employment decline, however, has been partially offset by a shrinking labor force.*

Rural employment fell nationally between the third quarters of 1989 and 1990. The Great Lakes and New England States lost jobs, while most of the rest of the States gained slightly. Among county economic types, only retirement-dependent counties had growth rates higher than 1 percent.

The number of employed rural workers declined by 0.7 percent in the third quarter of 1990 from a year earlier, according to Current Population Survey (CPS) data. This was the first quarterly decline in rural employment since the 1980-82 recessions. Urban employment growth slowed, falling to near zero (0.5 percent) during the third quarter of 1990 compared with the previous year. Rural job growth has dropped for four consecutive quarters, while urban growth has slowed in three of the last four quarters.

Bureau of Labor Statistics (BLS) data for the third quarter show a similar pattern of rural job growth as the CPS, but at a slightly higher growth rate. Third-quarter rural employment growth registered a small 0.1-percent gain between the third quarters of 1989 and 1990. Urban job growth was slightly higher than rural growth, at 0.4 percent compared with the same period a year earlier, according to the BLS.

When the national economy deteriorates, employers often reduce workloads and employees' hours. CPS data show that the number of rural part-time workers who want to work full-time increased 4.5 percent between the third quarters of 1989 and 1990. This number compares with a 10-percent decline a year earlier.

Urban part-time workers wanting to work full-time increased by 5.8 percent in the third quarter compared with 1989. These numbers indicate a deteriorating economy.

The rural civilian labor force fell 0.7 percent in the third quarters of 1989 and 1990, although the working age population continued to grow. Most of the decline resulted because fewer teenagers were entering the labor force. However, the number of older workers retiring during the third quarter also increased compared with the same period in 1989. This decline in the rural labor force may have helped soften some of the economic effects of the employment losses.

### All Regions Show Signs of Downturn

Rural employment declines during the first three quarters of 1990 were widespread. The largest decline was in the Great Lakes area of the Midwest (Wisconsin, Illinois, Indiana, Michigan, and Ohio), down 1.1 percent during the first three quarters of 1990 compared with the same period in

**Nonmetro job growth falls**

Third-quarter CPS data show nonmetro employment declining for the first time since the 1980-82 recessions

| Item | 1985-86 | 1986-87 | 1987-88 | 1988-89 | 1989-90 |
|---|---|---|---|---|---|
| | *Percentage change from previous third quarter* | | | | |
| Current Population Survey: | | | | | |
| Nonmetro | 2.4 | 0 | 2.8 | 4.2 | -0.7 |
| Metro | 2.5 | 3.3 | 1.9 | 1.3 | .5 |
| United States | 2.5 | 2.6 | 2.1 | 1.9 | .3 |
| Bureau of Labor Statistics: | | | | | |
| Nonmetro | .6 | 2.1 | 2.0 | 2.2 | .1 |
| Metro | 2.5 | 3.1 | 2.0 | 1.8 | .4 |
| United States | 2.1 | 2.9 | 2.0 | 1.9 | .3 |

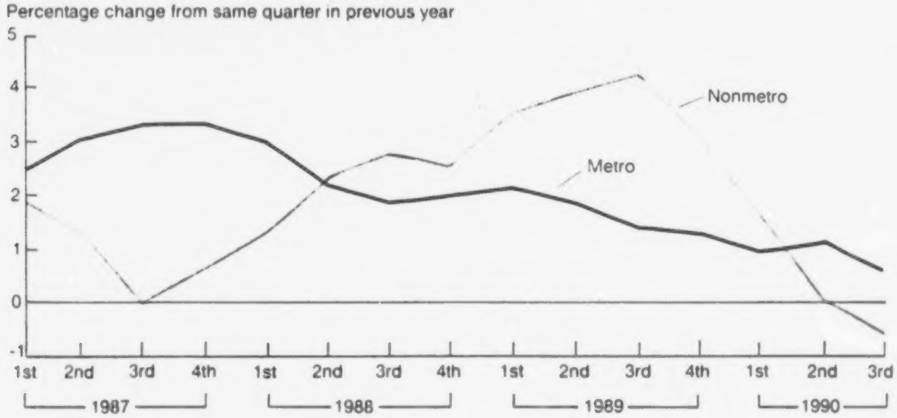
Sources: Current Population Survey and Bureau of Labor Statistics county data.

**1989. Massachusetts, Vermont, and Rhode Island all lost employment as declines in defense- and finance-related industries have hit hard. California, Montana, and North Dakota had the lowest rural job growth rates in the West. The South fared a little better as the increased price of oil spurred employment growth in some rural areas of Louisiana, Oklahoma, and Texas. However, growth remained sluggish.**

Rural employment growth slowed in all county economic types during the first three quarters of 1990. Employment growth in manufacturing counties fell to 0.1 percent while growth in farming-dependent counties did slightly better, dropping to 0.9 percent. Job growth in mining-dependent counties registered a 0.6-percent gain. Retirement-dependent counties had the highest employment growth, a 1.6-percent increase during the first three quarters of 1990 compared with 1989. *[Timothy S. Parker, 202/219-0540]*

### Nonmetro employment plummets

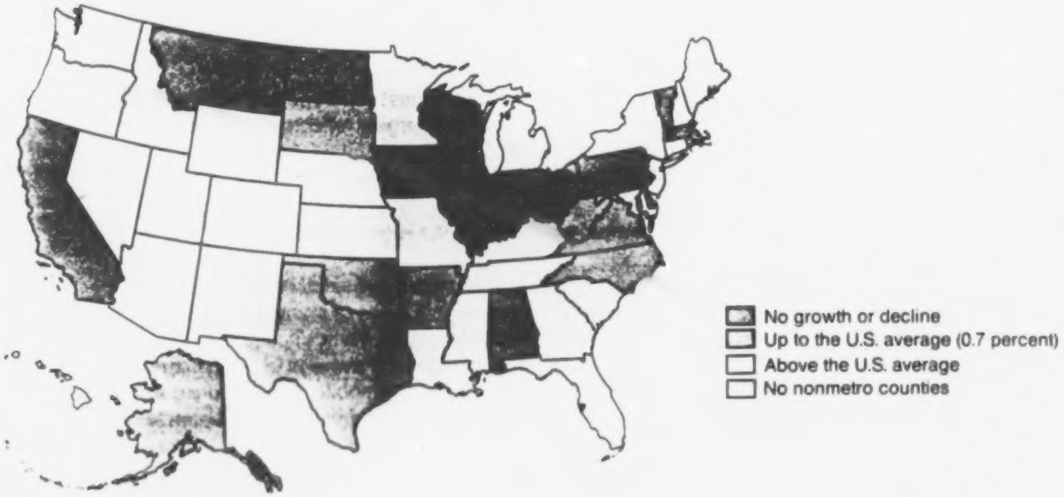
**Nonmetro, metro job growth have slowed since 1989**



Source: Current Population Survey

### Nonmetro employment change, first three quarters, 1989-90

**Northern Plains, Midwest, New England faced bleakest prospects**



Source: Bureau of Labor Statistics

# Rural Unemployment Remains Steady

*Rural unemployment rates showed no change between the third quarters of 1989 and 1990. In contrast, urban unemployment, reflecting the downturn in the overall economy, reached its highest third-quarter level in 3 years.*

Rural unemployment has not yet increased in response to the slowdown in the economy, but it no longer continues its long-term decline. Rural unemployment rates remained unchanged for the first three quarters of 1990 compared with the same quarters of 1989. However, some rural areas, particularly counties in the Midwest and Northeast, as well as many manufacturing-dependent counties, are already showing increased unemployment rates. And rural unemployment rose in 24 States between the first three quarters of 1989 and 1990. Further deterioration in the national economy will probably bring higher unemployment rates in rural areas during 1991.

The unemployment rate in rural areas remained steady between the third quarters of 1989 and 1990, according to the Current Population Survey (CPS). Rural unemployment held at 5.4 percent during the third quarter of 1990, the same as a year earlier. Urban unemployment rates, although stable through the first half of 1990, rose from 5.1 to 5.5 percent between the third quarters of 1989 and 1990. This change marks the first time since the 1980-82 recessions that rural and urban unemployment rates were essentially the same. During July, August, and September 1990, an average of 1.5 million rural residents and 5.4 million urban residents were unemployed and looking for work.

Preliminary Bureau of Labor Statistics (BLS) data also show the rural unemployment rate holding steady, but at a higher level than the CPS rates. Rural unemployment stabilized at 6.1 percent between the third quarters of 1989 and 1990, while urban unemployment increased from 5.0 to 5.2 percent. Unlike the CPS data, BLS data continue to show a sizable rural-urban gap in unemployment, with rural areas having an unemployment rate almost a point higher than urban areas.

### Unemployment Conditions Mixed for Some Rural Areas

Before 1990, declining unemployment rates pointed to continued economic recovery for most rural areas. However, during the first 9 months of 1990, the unemployment picture was mixed. BLS data show rising unemployment rates in the rural Northeast and Midwest compared with the same period a year earlier. Higher unemployment in the Northeast reflected continued declines in financial services, construction, and defense-contracting industries concentrated there. Deteriorating conditions in the Midwest stemmed from substantial declines in manufacturing. The rural South and West continued their pattern of declining unemployment since 1986.

Rural unemployment rose in manufacturing-dependent counties, but declined in farming- and mining-dependent counties. Manufacturing counties were particularly hard hit during the 1980-82 recessions and had just returned to 1979 unemployment levels. But between the first three quarters of 1989 and 1990, rural unemployment in these counties rose from 6.3 to 6.6 percent. Unemployment in retirement-based counties stabilized at 6.6 percent after 7 years of continuous decline.

Mining counties showed the greatest improvement, with unemployment rates falling by 1.2 percentage points. These declines largely reflected higher oil prices and increased domestic energy production in part. Farming-dependent counties, mostly in the Midwest, also showed declines.

### Rural Unemployment Remains High in Some States

Although rural unemployment rates remained constant between the first three quarters of 1988 and 1989, unemployment in rural areas of many States remained relatively high. Six States--California, Arizona, Alaska, Michigan, West Virginia, and Alabama--had rural unemployment rates more than 1.5 times the national average of 5.5 percent. High unemployment in Michigan most likely reflected problems in automobile manufacturing and defense industries. Rural areas of the other States are generally characterized by persistently high levels of unemployment associated with limited employment opportunities, seasonal nature of jobs, and unskilled labor.

Several Midwestern States, most of the New England States, Wisconsin, Maryland, Kentucky, and Nevada showed a brighter unemployment picture with rates below the national average of 5.5 percent. Many of these States, particularly in the Midwest, Maryland, and Kentucky, contain

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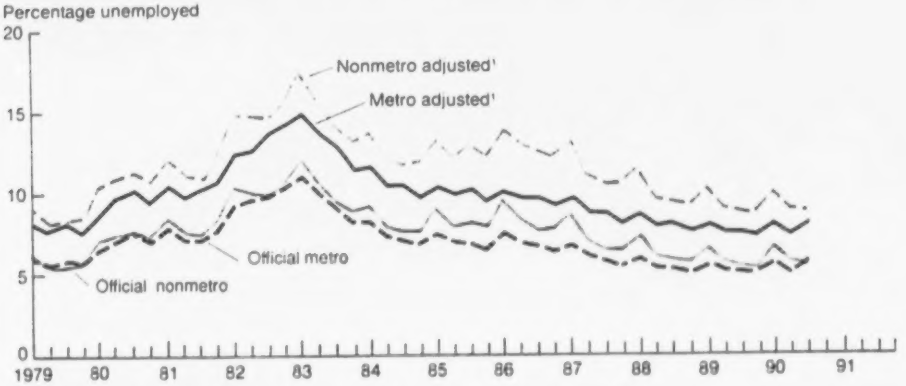
rural farming-dependent counties—areas which have traditionally had lower unemployment rates than other economic types of counties. The Northeast continues to have lower rural unemployment rates than other regions, but its unemployment levels have increased substantially over the last year. Between the first three quarters of 1989 and 1990, 9 of 10 Northeastern States showed increases in rural unemployment rates, most rising by at least 1 percentage point.

Unemployment rates in urban areas have risen as a result of the recent weakness in the national economy. Unemployment in rural areas has not increased, but it no longer continues its long-term decline. Also, this stable pattern is not consistent among all rural areas. Rural unemployment rose in 24 States between the first three quarters of 1989 and 1990, most by at least 0.5 percentage point, and unemployment levels in many rural areas continue to be high. Leading economic indicators point to further deterioration in the national economy. While some of the economic conditions associated with the 1980-82 recessions are different now, it is likely that rural areas will see higher unemployment rates and a worsening employment picture in coming months. *[Leslie A. Whitener, 202/219-0540]*

### Nonmetro-metro unemployment gap narrows

**Unemployment remains stable in nonmetro areas, increases in metro areas**

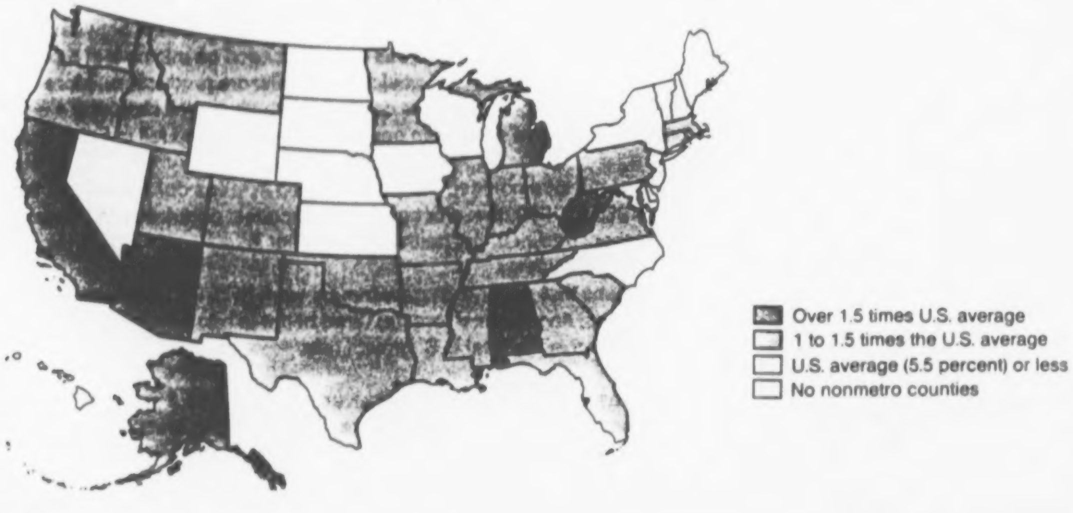


[1] Includes discouraged workers and half of the workers employed part-time for economic reasons.

Source: Current Population Survey.

### Nonmetro unemployment, first three quarters, 1990

**Only 16 States had unemployment equal to or less than U.S. average**


Over 1.5 times U.S. average
1 to 1.5 times the U.S. average
U.S. average (5.5 percent) or less
No nonmetro counties

Source: Bureau of Labor Statistics.

# Preliminary 1990 Census Counts Confirm Drop in Nonmetro Population Growth

*Nonmetro population growth greatly lagged that of the 1970's, but the trend varied widely by region and county economic type.*

Rural America's population grew at only a third the rate of metro areas during the 1980's. Half or more of all nonmetro counties appear to have lost population, especially farming and mining areas. Nonmetro counties that grew rapidly were mostly in the so-called Sun Belt and were commonly retirement areas.

Preliminary returns from the 1990 Census of Population show a growth of 1.8 million, or 3.3 percent, in the nonmetro population during 1980-90. Metro America grew by 17.4 million, or 10.1 percent.

The numbers reported here were prepared by the Census Bureau for local review as a means of detecting omissions, and are somewhat incomplete. However, the difference between the preliminary U.S. total (245.8 million) and the final count (249.6 million) is just 1.6 percent. Therefore, final local data will not differ enough from these figures to invalidate judgments about trends made here.

The national nonmetro growth rate was only one-third as high as the metro rate. By contrast, during the 1970's, the nonmetro growth rate exceeded that in metro areas. Prolonged economic recession affecting agriculture, mining, and rural manufacturing impelled many nonmetro residents to move away in the 1980's. The movement of urban people into nonmetro communities that was so evident in the 1970's seems to have waned.

### Declining Areas More Widespread

Despite some overall nonmetro population growth, about half or more of all nonmetro counties lost population during the 1980's. Such a result is possible because most declining areas are thinly settled and lower in average population size than are growing counties. Some 1,240 of 2,383 nonmetro counties showed a 1-percent-or-more loss in the preliminary returns and, with minor exceptions, will continue to show this loss when the count is complete. (Only 460 nonmetro counties declined in the 1970's.) Counties with declining population are concentrated in the Corn Belt, Great Plains, Mississippi Delta, Appalachian coal fields, and mining areas of the West.

### Many Exceptions to Decline, However

In contrast, other rural and smalltown areas had population growth, with some well above the metro rate. Most notable are those in the Florida Peninsula and the Southwest or on the periphery of some metro areas.

### Functions of Counties Shape Population Trends

If nonmetro counties are grouped by economic type, a connection between such types and demographic trends becomes clear. Areas that depended on mining lost 5 percent of their population by 1990, as jobs fell in oil, gas, coal, and metallic ore production. More than 75 percent of counties that depended on agriculture declined, with an overall drop of 1.4 percent. Their losses have caused the rural and smalltown population as a whole to fall in Farm Belt States.

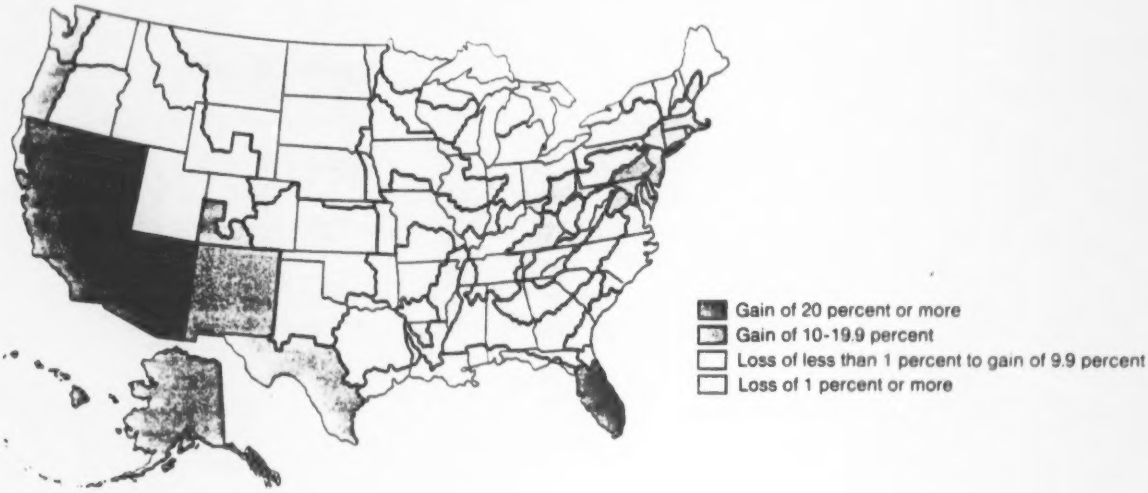
Forty percent of the total nonmetro population lived in areas dominated by manufacturing in 1980. From 1980 to 1990, these counties had a modest population increase of 1.7 percent. Nearly half of them declined, but neither gainers nor losers typically had large changes.

Nonmetro counties that depend on government work (with facilities such as State colleges, prisons, military bases, and national forests) fared better in retaining people, with an increase of 8.8 percent, slightly above the total U.S. growth rate.

Retirement areas are in a class by themselves, averaging 15.8 percent population growth in the decade. Movement of older people into rural and smalltown areas has become so common that one-fifth of all nonmetro counties are classed as retirement counties. Without the growth in these counties, there would have been no population increase at all in nonmetro America. *[Calvin Beale, 202/219-0535]*

## Nonmetro population change by subregions, 1980-90

**Modest overall increase, but with large areas of both loss and rapid gain**


▨ Gain of 20 percent or more
▨ Gain of 10-19.9 percent
☐ Loss of less than 1 percent to gain of 9.9 percent
☐ Loss of 1 percent or more

### The U.S. population and how it's changed

Nonmetro county growth slowed in 1980's, but varied by county type

| Area | 1990[1] | 1980 | 1980-90 | 1970-80 |
|---|---|---|---|---|
| | *Thousands* | | *Percentage change* | |
| United States | 245,711 | 226,542 | 8.5 | 11.4 |
| Metro[2] | 189,553 | 172,117 | 10.1 | 10.5 |
| Nonmetro | 56,218 | 54,425 | 3.3 | 14.4 |
| Nonmetro county type:[3] | | | | |
| Mining | 3,722 | 3,917 | -5.0 | 19.7 |
| Agriculture | 7,728 | 7,838 | -1.4 | 6.8 |
| Manufacturing | 21,823 | 21,467 | 1.7 | 12.0 |
| Government | 7,826 | 7,192 | 8.8 | 17.8 |
| Retirement | 13,466 | 11,634 | 15.8 | 32.7 |

[1] Preliminary.

[2] Metro status as of 1983, reflecting application of current metro criteria to the final results of the 1980 Census.

[3] Nonmetro county types are not entirely mutually exclusive.

## Appendix: Data Sources and Definitions

### Data Sources

Assessing the changing conditions and trends in rural America is complicated by the need to use a variety of data sources for monitoring demographic and economic patterns. Because different sources of data are intended for different purposes and employ different definitions and collection methods, they sometimes produce contradictory statistics and may lead to different interpretations. Describing rural conditions, therefore, necessitates piecing together general trends from many sources of information, not all of which are used each issue.

**Macroeconomic conditions:** The economic indicators used to monitor macroeconomic changes in the U.S. economy are derived from Federal sources. Measures of inflation, including the Consumer and Producer Price Indexes, and employment and unemployment data are developed by the U.S. Department of Labor's Bureau of Labor Statistics (BLS). National income and product account information on capital investment, gross national product, and net exports is produced by the Bureau of Economic Analysis (BEA), U.S. Department of Commerce. Information relating to monetary policy, including changes in interest rates and foreign exchange rates, and data on industrial production are furnished by the Federal Reserve Board of Governors.

**Employment and earnings:** Data on nonmetro employment, unemployment, and earnings come from three sources. The monthly Current Population Survey (CPS), conducted by the Bureau of the Census for the U.S. Department of Labor, provides detailed information on the labor force, employment, unemployment, and demographic characteristics of the metro and nonmetro population. CPS derives estimates based on a national sample of about 58,000 households that are representative of the U.S. civilian noninstitutional population 16 years of age and over. Labor force information is based on respondents' activity during 1 week each month.

BLS county-level employment data are taken from unemployment insurance claims and State surveys of establishment payrolls which are then benchmarked to State totals from the CPS. Thus, at the national and State levels, annual average BLS and CPS estimates are the same. The BLS data series provides monthly estimates of labor force, employment, and unemployment for individual counties.

BEA employment data, unlike the household data collected by the CPS and BLS, provide establishment data on the number of jobs rather than the number of workers. BEA data provide detailed information on the number and type of jobs, earnings by industry, and sources and amounts of income at the county level.

Each of these data sets has its advantages and disadvantages. CPS furnishes detailed employment, unemployment, and demographic data for metro and nonmetro portions of the Nation. BEA provides estimates of the number of jobs and earnings by industry for individual county areas. BLS provides less detailed employment data than the other two series, but offers very current and timely employment and unemployment information at the county level. While these data sources are likely to provide different estimates of employment conditions at any point in time, they generally indicate similar trends.

### Definitions

Throughout ***Rural Conditions and Trends,*** we use "rural" and "nonmetro" interchangeably. The same holds for "urban" and "metro." However, in tables we use "nonmetro" and "metro," the original and more accurate terms used in the data sources.

**Adjusted unemployment rate:** The number of unemployed people, discouraged workers who have given up looking for work, and half of the workers who work part-time but want full-time work as a percentage of the civilian labor force plus discouraged workers.

**Consumer Price Index (CPI):** A measure of the average price level of a basket of consumer goods and services at the retail level for a specific period compared against a benchmark period.

**County type classification:** A recently updated USDA classification of nonmetro counties by principal economic activity or demographic base, such as farming-, manufacturing-, or mining-dependent, persistent poverty, or retirement destination, among others. The classification is used to depict the social and economic structure of rural America.

Farming-dependent counties include counties where farming accounted for a weighted annual average of 20 percent or more of total labor and proprietor income (TLPI) in 1981, 1982, 1984, 1985, and 1986. Manufacturing-dependent counties included those where manufacturing contributed 30 percent or more of TLPI in 1986. Mining-dependent counties included those where mining contributed 20 percent or more to TLPI in 1986. Retirement counties included those counties where the net inmigration rates of people age 60 and over were 15 percent or more of the expected 1980 population aged 60 and over for the period 1970-80.

For further information, see Thomas F. Hady and Peggy J. Ross, ***An Update: The Diverse Social and Economic Structure of Nonmetropolitan America***, AGES 9036, U.S. Department of Agriculture, Economic Research Service, June 1990.

**Foreign exchange rate:** The rate at which one currency is traded for another. The Federal Reserve publishes a measure of the overall U.S foreign exchange rate based on the rates of the 10 major U.S. trading partners.

**Gross national product (GNP):** The dollar amount of final goods and services produced by the United States. GNP is the sum of consumer spending, Federal Government purchases of goods and services, business investment, and exports less the amount of imports. This statistic is reported quarterly but is revised in each of the 2 months following the initial release. Nominal GNP measures final goods and services at current prices. Real GNP measures final goods and services at 1982 prices to adjust for inflation.

**Inflation rate:** The percentage change in a measure of the average price level. Changes are reported on a monthly basis and are stated as annual rates for longer term comparisons. The two major measures of the average price level are the Consumer and Producer Price Indexes.

**Labor force participation rate:** The civilian labor force as a percentage of the civilian noninstitutional population age 16 and older.

**Metro areas:** Metropolitan Statistical Areas (MSA's), as defined by the Office of Management and Budget, include core counties containing a city of 50,000 or more people or containing several smaller cities totaling 50,000 or more people and a total area population of at least 100,000. Additional contiguous counties are included in the MSA if they are economically and socially integrated with the core county. Metro areas are divided into central cities and areas outside central cities (suburbs). Throughout this publication, "urban" and "metro" have been used interchangeably to refer to people or places within MSA's.

**Nonmetro areas:** Counties outside of metro area boundaries. Throughout this publication, "rural" and "nonmetro" are used interchangeably to refer to people and places outside of MSA's.

**Producer Price Index:** A measure of the average price received by producers of finished goods at the wholesale level during a specific period compared against a benchmark period.

**Unemployment rate:** The number of unemployed people 16 years and older as a percentage of the civilian labor force 16 years and older.

## Appendix Tables

### Appendix table 1—Nonmetro employment: Quarterly and annual averages

| Year/quarter | Labor force | Labor force participation | Employment | Unemployment | Unemployment rate | Adjusted unemployment rate[1] |
|---|---|---|---|---|---|---|
| | *Thousands* | *Percent* | *Thousands* | | *Percent* | |
| 1990: | | | | | | |
| 3rd | 26,607 | 63.2 | 25,158 | 1,450 | 5.4 | 8.8 |
| 2nd | 26,417 | 63.2 | 24,934 | 1,483 | 5.6 | 8.9 |
| 1st | 25,893 | 62.2 | 24,196 | 1,697 | 6.6 | 10.0 |
| 1989: | | | | | | |
| 4th | 26,168 | 62.8 | 24,778 | 1,390 | 5.3 | 8.6 |
| 3rd | 26,783 | 64.1 | 25,323 | 1,459 | 5.4 | 8.7 |
| 2nd | 26,389 | 63.5 | 24,919 | 1,470 | 5.6 | 8.9 |
| 1st | 25,441 | 62.2 | 23,807 | 1,634 | 6.4 | 10.2 |
| 1988: | | | | | | |
| 4th | 25,510 | 62.8 | 24,042 | 1,469 | 5.8 | 9.4 |
| 3rd | 25,793 | 63.2 | 24,294 | 1,499 | 5.8 | 9.6 |
| 2nd | 25,513 | 62.4 | 23,978 | 1,535 | 6.0 | 9.8 |
| 1st | 24,819 | 61.2 | 22,996 | 1,823 | 7.3 | 11.6 |
| 1987: | | | | | | |
| 4th | 25,087 | 62.3 | 23,449 | 1,638 | 6.5 | 10.6 |
| 3rd | 25,277 | 62.9 | 23,634 | 1,643 | 6.5 | 10.5 |
| 2nd | 25,186 | 62.2 | 23,437 | 1,749 | 6.9 | 10.9 |
| 1st | 24,856 | 61.0 | 22,688 | 2,167 | 8.7 | 13.1 |
| 1989 | 26,209 | 63.2 | 24,718 | 1,491 | 5.7 | 9.1 |
| 1988 | 25,409 | 62.4 | 23,827 | 1,582 | 6.2 | 10.1 |
| 1987 | 25,101 | 62.1 | 23,302 | 1,799 | 7.2 | 11.3 |
| 1986 | 25,171 | 61.9 | 23,091 | 2,080 | 8.3 | 12.8 |
| 1985 | 24,781 | 61.2 | 22,700 | 2,081 | 8.4 | 13.0 |
| 1984 | 34,725 | 62.1 | 31,930 | 2,796 | 8.1 | 12.2 |
| 1983 | 34,156 | 61.8 | 30,696 | 3,460 | 10.1 | 14.9 |
| 1982 | 33,740 | 61.7 | 30,335 | 3,405 | 10.1 | 14.9 |
| 1981 | 33,092 | 61.9 | 30,488 | 2,603 | 7.9 | 11.5 |
| 1980 | 32,512 | 61.7 | 30,150 | 2,362 | 7.3 | 10.7 |
| 1979 | 31,716 | 61.5 | 29,916 | 1,800 | 5.7 | 8.5 |

Note: Beginning in 1985, estimation procedures for the Current Population Survey are based on the 1980 Census. Their change accounts for the large drop in the labor force between 1984 and 1985.

[1] Unemployment rate adjusted to include discouraged workers and half of the workers employed part-time for economic reasons.

Source: Bureau of the Census, Current Population Survey.

**Appendix table 2—Metro employment: Quarterly and annual averages**

| Year/quarter | Labor force | Labor force participation | Employment | Unemployment | Unemployment rate | Adjusted unemployment rate[1] |
|---|---|---|---|---|---|---|
| | *Thousands* | *Percent* | *—Thousands—* | | *—Percent—* | |
| 1990: | | | | | | |
| 3rd | 99,290 | 67.9 | 93,872 | 5,417 | 5.5 | 8.0 |
| 2nd | 98,504 | 67.4 | 93,480 | 5,024 | 5.1 | 7.4 |
| 1st | 97,615 | 67.0 | 92,283 | 5,332 | 5.5 | 7.8 |
| 1989: | | | | | | |
| 4th | 98,191 | 67.5 | 93,242 | 4,949 | 5.0 | 7.3 |
| 3rd | 98,373 | 67.9 | 93,366 | 5,007 | 5.1 | 7.5 |
| 2nd | 97,391 | 67.4 | 92,449 | 4,942 | 5.1 | 7.5 |
| 1st | 96,633 | 66.7 | 91,411 | 5,223 | 5.4 | 7.9 |
| 1988: | | | | | | |
| 4th | 96,886 | 67.0 | 92,139 | 4,748 | 4.9 | 7.4 |
| 3rd | 97,249 | 67.5 | 92,132 | 5,117 | 5.3 | 8.0 |
| 2nd | 95,843 | 66.8 | 90,801 | 5,042 | 5.3 | 7.8 |
| 1st | 95,061 | 66.3 | 89,492 | 5,569 | 5.9 | 8.6 |
| 1987: | | | | | | |
| 4th | 95,433 | 66.6 | 90,347 | 5,086 | 5.3 | 7.9 |
| 3rd | 95,924 | 67.2 | 90,434 | 5,490 | 5.7 | 8.6 |
| 2nd | 94,546 | 66.6 | 88,869 | 5,677 | 6.0 | 8.7 |
| 1st | 93,152 | 65.9 | 86,904 | 6,249 | 6.7 | 9.6 |
| 1989 | 97,660 | 67.4 | 92,624 | 5,036 | 5.2 | 7.5 |
| 1988 | 96,260 | 66.9 | 91,141 | 5,119 | 5.3 | 7.9 |
| 1987 | 94,764 | 66.6 | 89,138 | 5,625 | 5.9 | 8.7 |
| 1986 | 92,665 | 66.2 | 86,508 | 6,157 | 6.6 | 9.5 |
| 1985 | 90,684 | 65.9 | 84,453 | 6,231 | 6.9 | 9.9 |
| 1984 | 78,819 | 65.4 | 73,076 | 5,743 | 7.3 | 10.4 |
| 1983 | 77,394 | 65.1 | 70,137 | 7,257 | 9.4 | 13.1 |
| 1982 | 76,465 | 65.1 | 69,192 | 7,273 | 9.5 | 13.1 |
| 1981 | 73,301 | 64.9 | 67,825 | 5,476 | 7.5 | 10.3 |
| 1980 | 72,207 | 64.8 | 67,120 | 5,087 | 7.0 | 9.5 |
| 1979 | 71,192 | 64.7 | 67,029 | 4,163 | 5.8 | 8.0 |

Note: Beginning in 1985, estimation procedures for the Current Population Survey are based on the 1980 Census.

[1] Unemployment rate adjusted to include discouraged workers and half of the workers employed part-time for economic reasons.

Source: Bureau of the Census, Current Population Survey.

## Appendix table 3—Nonmetro employment and unemployment

| State | First three quarters of given year(s) | | | |
|---|---|---|---|---|
| | Employment change | | Unemployment rate | |
| | 1988-89 | 1989-90 | 1989 | 1990 |
| | *Percent* | | | |
| Alabama | 2.6 | -0.8 | 8.3 | 8.4 |
| Alaska | 6.3 | .2 | 8.1 | 8.6 |
| Arizona | 8.1 | 3.7 | 9.6 | 9.5 |
| Arkansas | 3.5 | .7 | 8.1 | 7.5 |
| California | 4.4 | -2.3 | 9.7 | 9.1 |
| Colorado | -.7 | 6.2 | 7.0 | 5.9 |
| Connecticut | .8 | .8 | 4.1 | 6.0 |
| Delaware | 2.3 | -.1 | 4.3 | 4.8 |
| Florida | 2.8 | 5.9 | 6.2 | 6.9 |
| Georgia | 2.3 | 2.0 | 6.2 | 6.1 |
| Hawaii | 5.4 | 1.9 | 3.2 | 3.5 |
| Idaho | 2.3 | 1.3 | 5.9 | 6.4 |
| Illinois | 5.7 | -1.2 | 7.9 | 8.0 |
| Indiana | 4.1 | -3.2 | 5.1 | 6.5 |
| Iowa | 1.2 | -.9 | 4.4 | 4.5 |
| Kansas | .5 | 1.4 | 4.1 | 3.9 |
| Kentucky | 3.2 | 2.8 | 7.8 | 7.1 |
| Louisiana | 2.2 | 1.8 | 10.6 | 8.1 |
| Maine | 3.0 | 1.5 | 4.5 | 4.9 |
| Maryland | 4.8 | .7 | 5.3 | 5.4 |
| Massachusetts | 1.7 | -3.8 | 4.4 | 6.4 |
| Michigan | 2.6 | 1.6 | 8.2 | 9.0 |
| Minnesota | -.6 | 1.7 | 5.7 | 5.6 |
| Mississippi | 3.3 | 1.6 | 8.9 | 8.2 |
| Missouri | 2.2 | .8 | 6.4 | 6.6 |
| Montana | .8 | -.9 | 6.3 | 5.8 |
| Nebraska | -.9 | 6.2 | 3.3 | 2.5 |
| Nevada | 3.1 | 3.2 | 5.4 | 4.9 |
| New Hampshire | 1.7 | 3.4 | 2.9 | 4.7 |
| New Mexico | 3.0 | 3.0 | 8.0 | 7.2 |
| New York | 2.3 | 1.5 | 6.3 | 5.4 |
| North Carolina | 2.3 | .4 | 4.3 | 4.7 |
| North Dakota | -.8 | -2.1 | 5.1 | 4.9 |
| Ohio | 2.5 | -1.3 | 6.8 | 7.3 |
| Oklahoma | .2 | .4 | 6.6 | 6.0 |
| Oregon | 3.6 | .9 | 7.7 | 7.0 |
| Pennsylvania | 2.8 | -.1 | 5.8 | 7.0 |
| Rhode Island | -2.1 | -3.3 | 3.6 | 6.0 |
| South Carolina | 2.4 | 1.9 | 6.0 | 6.1 |
| South Dakota | .8 | .3 | 4.4 | 4.1 |
| Tennessee | 3.3 | 2.8 | 6.5 | 6.8 |
| Texas | -.3 | .1 | 7.4 | 6.3 |
| Utah | 4.3 | 3.0 | 6.1 | 5.8 |
| Vermont | 1.5 | -.5 | 3.9 | 5.0 |
| Virginia | 2.1 | .2 | 5.6 | 5.9 |
| Washington | 5.6 | 4.0 | 8.6 | 7.8 |
| West Virginia | 6.0 | .2 | 9.6 | 9.0 |
| Wisconsin | 2.3 | -2.0 | 5.3 | 5.2 |
| Wyoming | .2 | 3.5 | 6.4 | 5.1 |

Note: There are no nonmetro counties in the District of Columbia or New Jersey.

Source: Bureau of Labor Statistics

## Appendix table 4—Metro employment and unemployment

| State | First three quarters of given year(s) | | | |
|---|---|---|---|---|
| | Employment change | | Unemployment rate | |
| | 1988-89 | 1989-90 | 1989 | 1990 |
| | *Percent* | | | |
| Alabama | 2.1 | -0.1 | 6.6 | 6.2 |
| Alaska | 2.0 | 3.2 | 5.2 | 5.3 |
| Arizona | 3.9 | .4 | 4.5 | 4.2 |
| Arkansas | 2.8 | .6 | 6.7 | 6.1 |
| California | 3.0 | 1.3 | 5.0 | 5.2 |
| Colorado | -.5 | 3.2 | 5.8 | 4.9 |
| Connecticut | .5 | -.3 | 3.5 | 5.1 |
| Delaware | 3.8 | -.2 | 3.6 | 4.3 |
| District of Columbia | -5.6 | -5.5 | 5.2 | 6.1 |
| Florida | .9 | 1.9 | 5.6 | 5.8 |
| Georgia | 1.5 | 1.7 | 5.2 | 5.1 |
| Hawaii | .4 | 2.2 | 2.2 | 2.5 |
| Idaho | 6.4 | 2.7 | 3.4 | 3.7 |
| Illinois | 4.9 | .1 | 5.5 | 5.9 |
| Indiana | 4.0 | -1.8 | 4.3 | 5.1 |
| Iowa | 2.2 | -.8 | 4.2 | 4.1 |
| Kansas | 1.5 | 2.0 | 4.1 | 4.1 |
| Kentucky | 4.5 | 2.1 | 5.4 | 4.8 |
| Louisiana | 1.9 | .8 | 7.6 | 6.1 |
| Maine | 2.1 | 2.1 | 3.3 | 4.1 |
| Maryland | 4.0 | .9 | 3.7 | 3.8 |
| Massachusetts | .5 | -2.2 | 3.9 | 5.8 |
| Michigan | 1.7 | -.7 | 6.8 | 7.3 |
| Minnesota | .3 | 2.2 | 4.1 | 4.2 |
| Mississippi | 1.2 | 3.3 | 6.6 | 5.7 |
| Missouri | .8 | .1 | 5.0 | 5.2 |
| Montana | 6.0 | 5.8 | 5.4 | 4.7 |
| Nebraska | .2 | 3.0 | 3.1 | 2.4 |
| Nevada | 3.5 | 4.7 | 5.1 | 4.7 |
| New Hampshire | .5 | -.1 | 3.5 | 5.7 |
| New Jersey | 0 | .6 | 4.0 | 4.8 |
| New Mexico | 1.8 | .1 | 5.6 | 5.5 |
| New York | .7 | .3 | 5.0 | 5.1 |
| North Carolina | 2.8 | .1 | 3.2 | 3.2 |
| North Dakota | 2.4 | -.8 | 3.3 | 3.2 |
| Ohio | 2.9 | .2 | 5.1 | 5.3 |
| Oklahoma | 1.9 | 2.3 | 5.3 | 5.2 |
| Oregon | 4.8 | .6 | 5.1 | 4.7 |
| Pennsylvania | 2.6 | -.1 | 4.2 | 5.0 |
| Rhode Island | -.3 | -3.3 | 3.8 | 6.9 |
| South Carolina | 1.6 | 2.5 | 3.9 | 3.9 |
| South Dakota | 1.1 | .5 | 3.7 | 2.9 |
| Tennessee | 1.1 | 1.0 | 4.6 | 4.4 |
| Texas | 2.0 | 1.1 | 6.8 | 6.1 |
| Utah | 4.0 | 1.7 | 4.7 | 4.4 |
| Vermont | 4.9 | 1.4 | 2.7 | 3.2 |
| Virginia | 1.3 | .8 | 3.2 | 3.4 |
| Washington | 6.2 | 4.8 | 5.8 | 4.9 |
| West Virginia | 5.9 | 1.8 | 6.8 | 6.1 |
| Wisconsin | 2.0 | -.8 | 4.1 | 4.0 |
| Wyoming | 0 | 2.1 | 7.2 | 5.9 |

Source: Bureau of Labor Statistics.

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# Recession's Impacts Equally Shared in Urban and Rural Areas

*The impact of the current recession is about the same in rural areas as it is in urban. But, this similarity does not erase the fact that, even in the relatively good times enjoyed by rural people as recently as 2 years ago, their economic position has not improved in relation to that of urban people.*

Fourth-quarter data on employment and unemployment suggest that the current recession, at least at the national level, is affecting urban and rural areas about equally. Employment has stopped growing in both urban and rural areas, as typically happens when the national economy is contracting. Official unemployment rates have gone up roughly the same amount in both areas. The same is true for the adjusted unemployment rate, a measure that takes into account those who work part-time involuntarily and others who have given up looking for work. These developments in employment suggest that the cyclical changes in the economy are creating similarly serious problems for people and communities in both urban and rural America.

Standing back from immediate concerns regarding the recession, one can't escape the fact that regardless of where we are in the business cycle, significant long-term or structural problems of relatively low income and earnings, higher unemployment, and higher poverty rates persist in rural areas. Even as the rural economy was improving in the late 1980's, rural areas lagged urban areas in almost all other measures of economic well-being. The most recent data available on income and poverty reported in this issue indicate that in 1989, a year in which rural employment growth outpaced urban employment growth, essentially no progress was made in narrowing the relative gap between rural and urban areas. Why this is true and what might be the best ways to ameliorate these conditions are central issues for all those working in rural development.

In trying to better understand the continuing rural disadvantage, we generally look at the nature of rural jobs--the rural labor market--and the skills and experience of rural workers--the rural labor force. In each case, there is ample evidence of many low-skill, low-wage jobs and poorly educated workers, both leading to high poverty rates and low income. While the exact level fluctuates from year to year, rural workers' wages averaged three-quarters of what urban workers earned during most of the 1980's.

Beyond the labor market and labor force conditions, however, is the personal context in which rural workers live as they strive for a basic standard of living for themselves and their families. We often think of the growth in families headed by women as an urban phenomenon, but our discussion of the changing composition of rural households and families (page 20) shows it has also become a rural trend. The share of rural children in families headed by a woman increased to nearly one in five by 1990. The rapid increase in poverty among children is largely a result of this change in family structure. Among rural blacks, the change has been particularly important, with almost half of rural black families headed by women and well over half of all rural black children in families headed by women.

# Economic Expansion Imminent?

*The economy entered a recession in the second half of 1990, but will probably rebound later this year.*

Last year started off well enough with only a few forecasters calling for a recession to begin by the end of the year. By midyear, however, things started to go awry. Revisions to gross national product (GNP) numbers in July and the negative effects of Iraq's invasion of Kuwait in August compounded the debt and banking problems that already existed. These forces combined to guarantee that the economy would not realize a soft landing that would have allowed the 8-year expansion to continue. The risks of a deeper recession are real, but most forecasters believe the recession will be mild by historical standards with a rebound beginning later this year.

### Expansion Ended Before 8th Birthday

Real growth in the economy slowed significantly in 1990 as the economy slipped into recession in the second half of the year. Slow growth in the early part of the year and the downturn at the end of the year pulled real growth for 1990 down to 1 percent, from 2.5 percent in 1989 and 4.5 percent in 1988.

Economic weakness in 1990 was also apparent in the labor markets. While total employment continued to rise from 1988 to the middle of 1990, the manufacturing sector began to lose jobs in early 1989. By the middle of 1990, total employment also began to fall. The declines continued through the end of the year.

The weak economic performance in 1990 was not readily foreseen for several reasons. In July, the Commerce Department released revised GNP estimates for 1987-89 that revealed that the economy had been weaker than previously perceived. For example, real growth in 1989 was revised down from 3 percent to 2.5 percent. Also, the Iraqi invasion of Kuwait at the beginning of August and the subsequent economic disruptions created new negative pressures. Crude oil prices jumped from about $17 per barrel in June to about $35 per barrel in November. Over the same period, the index of consumer confidence plunged by 40 percent.

Despite the weakening economy, inflation worsened. Inflation, as measured by the Consumer Price Index, was 5.4 percent in 1990, up from 5.1 percent in 1989 and 4.1 percent in 1988. The rise in crude oil prices from July to November significantly contributed to inflation pressures.

The only bright spot was net exports. In 1989, the real goods and services trade deficit narrowed from $75.9 billion to $54.1 billion (in 1982 dollars). The gap continued to close in 1990 by an additional $20.3 billion. While much of the improvement was attributable to continued export growth, import growth slowed from 6 percent in 1989 to 2.8 percent in 1990. Due to the weak domestic economy, imports actually fell at the end of 1990.

### Policy—A Not-So-Soft Landing

Over the past several years, Federal Reserve monetary policy has been oriented toward fighting inflation while maintaining moderate economic growth. Worried that the fast-paced growth of previous years would ignite inflation, the Fed pushed interest rates up in 1988 and early 1989. The Federal funds rate, the interest rate for funds traded between banks and an important policy tool, peaked at 9.85 percent in March 1989. The prime rate also pushed up to 11.5 percent in 1989.

While interest rates began heading down over the rest of 1989, the rates were still relatively high by historical standards with the prime rate averaging nearly 11 percent for the year. As a result, the economy slowed in late 1989 and early 1990, and the Fed began pushing interest rates down. The prime rate averaged 10 percent in 1990. The Fed had aimed for a "soft landing" in which the expansion would continue, after a period of slow growth, with a lessened threat of inflation. However, the combination of events and heightened uncertainty in the second half of 1990 destroyed the opportunity for a soft landing.

Fiscal policy also contributed to economic uncertainty in 1990. Due to the prospect of worsening Federal budget deficits, the administration and congressional leaders negotiated a 5-year $500-billion deficit-reduction plan in September. But, Congress rejected the original agreement and already-nervous financial markets became even more unsettled. After additional debate and negotiation, Congress enacted deficit-reduction legislation, incorporating both higher taxes and planned cuts in Federal spending.

### The Outlook

The timely and successful resolution of the Persian Gulf situation will likely allow for continued low oil prices and reduced inflation in 1991. With an outlook for lower inflation and a continued weak economy in the first half of 1991, the Federal Reserve will probably allow short-term interest rates to remain low or fall further. The decline in interest rates should help promote a rebound in consumption and investment spending later this year.

The economy may still face significant constraints from financial instability or high consumer and corporate debt levels. But the administration's forecast and the consensus of a recent survey of private sector economists suggest that real GNP will fall by about 1 percent from a peak in the late summer of 1990 to a trough in the middle of 1991. This expected decline compares favorably with an average decline of over 3 percent for the other three recessions of the 1970's and 1980's. The forecasts also point to lower inflation and lower interest rates for 1991 and 1992 and to fairly strong growth in 1992.

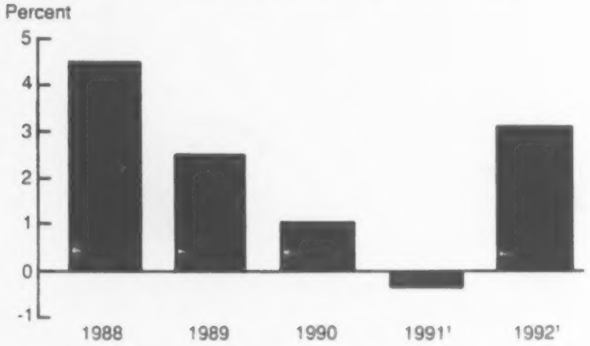
### Implications for Rural Unemployment

The improvement of rural areas in relation to the general economy went into a holding pattern in 1990. Economic events increased both the rural and total civilian unemployment rates from 1989 to 1990, but the spread between them remained the same. From 1988 to 1989, both rates fell, but the rural unemployment rate fell more than the civilian unemployment rate.

Both the civilian and rural unemployment rates will increase significantly in 1991. However, the outlook in 1991 for lower interest rates, a low value of the dollar, and improved net exports suggests that any increase in the spread between the rates will be modest. *[Analysis as of March 27, 1991. Karen Hamrick, John Kitchen, Elizabeth Mack, 202/219-0782]*

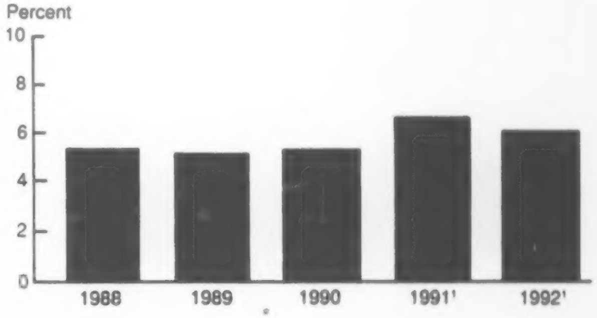
## Real GNP growth

**Mild recession with expected rebound in 1992. . .**



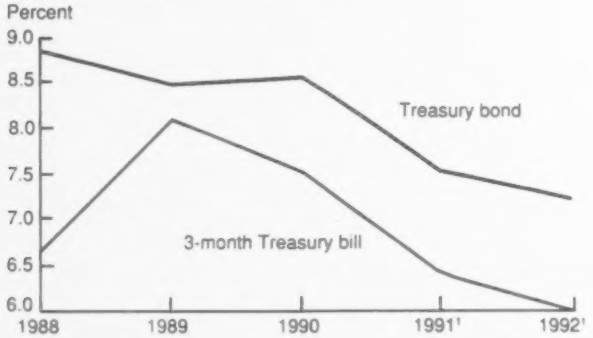
## Civilian unemployment rate

**Tempers the expected increase in unemployment. . .**



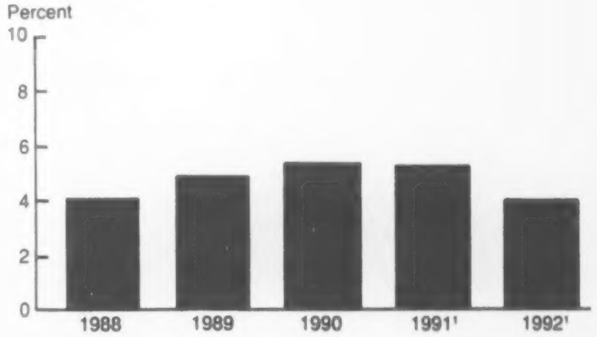
## Interest rates

**And sets the stage for lower interest rates. . .**



## CPI inflation

**And lower inflation.**



[1] Forecast in *Budget of the United States Government Fiscal Year 1992*, p. 32.

# Rural Employment Growth Stalls

*Rural employment rose 0.2 percent in 1990. National data, which allow a timelier assessment of employment trends, suggest that rural employment fell during the second half of 1990. As employment opportunities deteriorated, the share of the rural population in the labor force also fell.*

The period of sustained employment growth that began in 1983 ended as rural areas were affected by 1990's national recession. Employment declines in the second half of 1990 appear to have followed slow employment growth in the first half of the year. The growth of the rural labor force also essentially halted in the face of worsening employment conditions.

Rural employment grew by 0.2 percent between 1989 and 1990, according to annual average data from the Current Population Survey (CPS). This represented a significant slowdown from the 3.7 percent growth during the previous year. Urban employment growth was slightly higher at 0.6 percent.

Preliminary Bureau of Labor Statistics (BLS) county-level data also indicate a slowdown. Rural employment increased by 0.7 percent and urban employment increased by 0.5 percent between 1989 and 1990.

Employment fell for rural workers aged 16 through 34 and over age 55. Employment also declined for blacks.

### Second-Half 1990 Employment Losses Likely

The annual estimates for 1990 may obscure a slump in rural employment since last summer, because employment increases in the first half of 1990 probably offset employment declines in the second half of the year. Rural employment data are not adjusted for seasonal variation; hence, they cannot be used to study employment trends over periods shorter than a year. However, national data indicate a second-half slump.

Between July and December 1990, national employment fell by 663,000 according to seasonally adjusted CPS data. During this period, national employment fell at a 1.2-percent annual rate. This decline was somewhat slower than the 1.8-percent rate of decline in the 1981-82 recession.

National employment in the goods-producing industries declined at a 5.7-percent annual rate, while employment in the service-producing sectors was nearly unchanged. Job losses were greatest for blue-collar occupations.

The recession has probably affected rural workers at least as much as their urban counterparts, because a larger share of rural than urban workers have production jobs. However, job losses in the second half of 1990 were less concentrated in production jobs (especially nondurable manufacturing) than was the case in the 1980-82 recessions. This difference suggests that rural workers have not been as disproportionately hurt by the current recession as they were by the 1980-82 recessions.

### Rural Labor Force Growth Stalls

Most of the employment decline in a recession is usually reflected in increased unemployment. The 1990 rural statistics, however, show a very different pattern. Thus, more than usual care is necessary when interpreting these data.

**Nonmetro employment growth falls in 1990**

Small employment gains in 1990 reflect the start of the recession

| Item | 1985-86 | 1986-87 | 1987-88 | 1988-89 | 1989-90 |
|---|---|---|---|---|---|
| | *Percentage change in employment* | | | | |
| Current Population Survey: | | | | | |
| Nonmetro | 1.7 | 0.9 | 2.3 | 3.7 | 0.2 |
| Metro | 2.5 | 3.0 | 2.2 | 1.6 | .6 |
| United States | 2.3 | 2.6 | 2.2 | 2.1 | .5 |
| Bureau of Labor Statistics: | | | | | |
| Nonmetro | .9 | 1.8 | 2.4 | 2.2 | .7 |
| Metro | 2.5 | 2.8 | 2.3 | 2.0 | .5 |
| United States | 2.1 | 2.6 | 2.3 | 2.0 | .5 |

Source: Current Population Survey and preliminary Bureau of Labor Statistics county data.

As rural employment stagnated in 1990, the share of the population not employed, the nonemployed, increased. This higher nonemployment reflects increased numbers of unemployed and increased numbers of those who chose not to work. The increased numbers of unemployed accounted for only 24 percent of the increase in those not working between 1989 and 1990. The remaining 76 percent was accounted for by greater numbers of people who chose not to work. This relationship contrasts with urban areas, where unemployment accounted for 91 percent of the increase.

The causes of the decline in rural labor force participation are unclear. Labor force withdrawal may be a temporary response to worsening employment conditions. If some rural people withdrew for that reason, the recent increase in rural unemployment rates understates the deterioration in employment opportunities and the resulting level of economic stress.

### Employment Outlook Uncertain

More so than in the 1981-82 recession, the outlook for rural employment is closely tied to that for the national economy. Weaknesses in the agriculture, mining, and manufacturing exports sectors delayed the post-1982 economic recovery in many rural areas. The resulting economic shakeout in these areas probably means that they are now better positioned to benefit from a national recovery. If the current recession is short, rural employment should rapidly recover. *[Paul Swaim, 202/219-0552]*

**Rural job growth lags, but unemployment barely rises**

Falling labor force participation is the explanation

| Item | Job gap[1] |  | = | Flow into unemployment |  | + | Flow out of the labor force |  |
|---|---|---|---|---|---|---|---|---|
|  | People | Share of gap |  | People | Share of gap |  | People | Share of gap |
|  | *Thousands* | *Percent* |  | *Thousands* | *Percent* |  | *Thousands* | *Percent* |
| 1989-90: |  |  |  |  |  |  |  |  |
| Nonmetro | 204 | 100 |  | 48 | 24 |  | 156 | 76 |
| Metro | 264 | 100 |  | 241 | 91 |  | 23 | 9 |
| 1981-82: |  |  |  |  |  |  |  |  |
| Nonmetro | 882 | 100 |  | 740 | 84 |  | 142 | 16 |
| Metro | 1,369 | 100 |  | 1,577 | 115 |  | -208 | -15 |

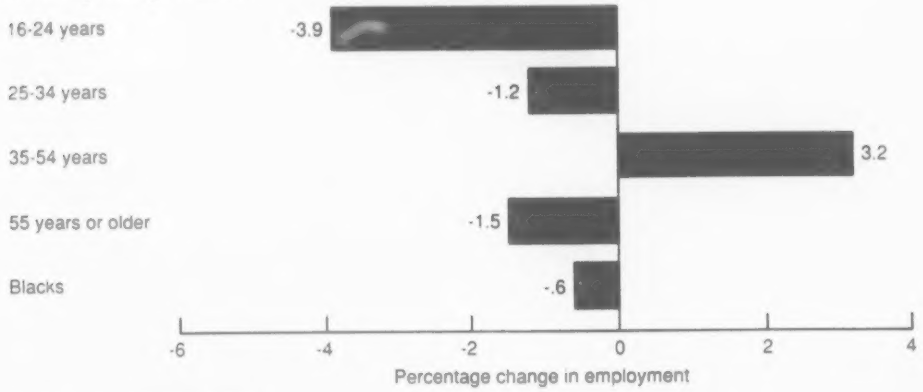
[1] Additional jobs that would be required to maintain a constant employment rate for the working age population (that is, for employment to grow as rapidly as the population grows).

Source: Current Population Survey.

**Rural employment slowdown varied by worker group**

**Youths, older workers, and blacks lost ground in 1990**

Percentage change 1989-90



Source: Current Population Survey.

# Rural Unemployment Edges Up

*Rural unemployment increased slightly during 1990, reversing a trend that began in 1986. The increase in unemployment hit rural and urban areas equally during 1990. The rise in unemployment also affected the major race/ethnic, gender, and age groups quite evenly.*

After 4 years of improvement, average rural unemployment worsened during 1990 with the onset of a national recession. Rural unemployment held steady during the first half of 1990, then increased during the second half of the year. Rural unemployment rates should continue to increase in 1991 as the effects of the recession work their way through the rural economy.

The rural unemployment rate rose slightly from 5.7 percent in 1989 to 5.9 percent in 1990, according to annual average data from the Current Population Survey (CPS). This increase in the average annual rural unemployment rate is the first since 1986. Urban unemployment also rose by 0.2 percentage point, from 5.2 percent in 1989 to 5.4 percent in 1990. This increase in urban annual average unemployment is the first since the 1981-82 recession.

Bureau of Labor Statistics (BLS) county data also show a slight increase in rural unemployment rates. The BLS rate, however, is consistently higher than the CPS estimates, as it has been for many years (app. table I). Preliminary BLS data show that rural unemployment increased from 6.4 percent in 1989 to 6.5 percent in 1990. Urban unemployment rates increased from 5.4 percent in 1989 to 5.6 percent in 1990.

Official unemployment rates often underestimate unemployment, particularly in rural areas, because they do not take into account discouraged workers (those who have given up looking for work) and workers who are underemployed (those who work part-time but would like to work full-time). The adjusted rural unemployment rate, which includes discouraged workers and half of the workers who work part-time but would like full-time employment, increased from 9.1 percent in 1989 to 9.4 percent in 1990. The adjusted unemployment rate in urban areas rose from 7.5 percent in 1989 to 7.9 percent in 1990.

### Rural-Urban Unemployment Gap Holds Steady

Although rural areas on average have had consistently higher rates of unemployment than urban areas, the gap between rural and urban unemployment has steadily narrowed within the past few years. However, between 1989 and 1990, the gap in unemployment rates remained unchanged according to CPS data. Rural unemployment was 1.7 percentage points higher than in urban areas in 1986. By 1989-90, the unemployment rate in rural areas was only 0.5 percentage point higher than in urban areas.

### Unemployment Highest Among Youths and Minorities

Rural unemployment rates for the major racial/ethnic, gender, and age groups were not statistically different in 1990 compared with 1989. However, Blacks, Hispanics, and youths continued to face relatively high levels of unemployment in both rural and urban areas. During recessions, these groups are usually hit the hardest. In rural areas, 10 percent of Hispanics, 12 percent of Blacks, and 15.5 percent of youths aged 16 and 24 were looking for work during 1990.

Rural unemployment should continue to increase in early 1991 as long as the economy remains in a recession. So far, the current economic downturn, unlike the 1980-82 recessions, does not seem to be affecting rural unemployment disproportionately compared with urban unemployment, although this pattern may change if the recession deepens. *[Timothy S. Parker, 202/219-0541]*

### Nonmetro unemployment remained higher than metro in 1990

Minorities and youth faced the highest unemployment rates

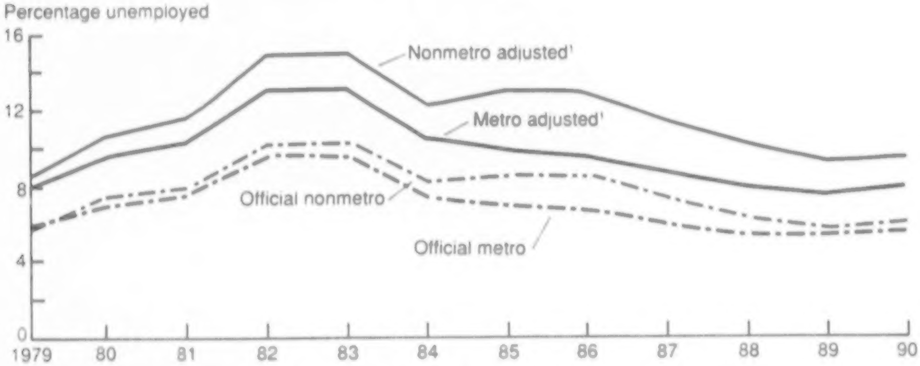
| Item | 1989 | | 1990 | |
|---|---|---|---|---|
| | Metro | Nonmetro | Metro | Nonmetro |
| | | *Percent* | | |
| Unemployment rates: | | | | |
| All civilian workers | 5.2 | 5.7 | 5.4 | 5.9 |
| Adult men | 4.4 | 4.8 | 4.3 | 5.2 |
| Adult women | 4.6 | 5.1 | 4.2 | 5.2 |
| Teenagers | 14.9 | 15.3 | 15.5 | 15.5 |
| Whites | 4.3 | 5.1 | 4.6 | 5.3 |
| Blacks | 11.3 | 12.0 | 11.2 | 12.0 |
| Hispanics | 7.9 | 9.3 | 7.9 | 10.0 |
| Adjusted unemployment rate[1] | 7.5 | 9.1 | 7.9 | 9.4 |

[1] Unemployment rate adjusted to include discouraged workers and half the workers employed part-time for economic reasons.

Source: Current Population Survey.

### Unemployment climbs

Nonmetro unemployment increased slightly during 1990 after a 4-year decline



[1] Includes discouraged workers and half of the workers employed part-time for economic reasons.

Source: Current Population Survey.

# All Major Rural Industries Continued To Expand in 1988

*Service-producing sectors accounted for most of the increase in nonmetro employment. Employment in goods-producing industries grew faster during 1988 in nonmetro areas than in metro areas. Nonmetro areas in the Northeast and West continued to grow faster than those in other regions, but more jobs were added in the South.*

According to the most current detailed Bureau of Economic Analysis (BEA) data, nonmetro employment continued to grow at just under 3 percent in 1988, about the same as in metro areas and nearly twice the average annual growth rate for the previous 5 years. Two years before the onset of the current recession, 1988 nonmetro employment was broad-based, with almost all sectors posting gains over 1987.

Service-producing sectors accounted for most of the 1988 nonmetro job growth. These industries (excluding government) added over 400,000 jobs, or 3.4 percent over 1987. Retail trade and miscellaneous services exhibited the largest increases of the industries in this group, and together accounted for over 90 percent of the total service-sector growth. Because of this above-average growth rate, the service-producing sectors' share of nonmetro jobs rose to 49 percent.

Led by an increase of over 160,000 manufacturing jobs (3.6 percent), employment in goods-producing sectors expanded by 3.1 percent over 1987. 1988 was the second year in a row that growth in nonmetro goods-producing sectors exceeded the growth of their metro counterparts. 1988 was also the fourth consecutive year that nonmetro areas increased their share of total manufacturing jobs. In fact, gains in nonmetro manufacturing employment since 1982 have accounted for 73 percent of the Nation's post-recession recovery in manufacturing employment. Slow growth in agriculture-related jobs and the continued decline in mining employment offset some of the gains in manufacturing and construction, leaving the goods-producing sector's share of nonmetro employment at 34 percent.

Government employment continued its steady but modest growth in 1988. Employment by Federal, State, and local governments rose 2 percent in 1988, above the 1.3 percent average rate of the previous 5 years, but well below the increases in either the service-producing or goods-producing sectors. The government sector's share of total jobs thus declined to less than 17 percent, just above its 1984 share, but more than 7 percent below its 1975 share.

The Northeast tied with the West for fastest growth in total nonmetro employment in 1988. The Northeast's strongest sectors were construction, wholesale, retail, and miscellaneous services. Each of these sectors grew by more than 3.5 percent in 1988. Construction grew most rapidly at nearly 5 percent. This rate was significantly lower than the nearly 12 percent average annual growth rate exhibited during 1984-86, an indication that the Northeast economy was beginning to slow down in 1988.

The Midwest was the slowest growing region. It was the biggest loser of agricultural jobs, but the rate of decline in 1988 was slower than earlier in the decade. Also, most of the service-sector industries grew more slowly in the Midwest than in the other regions.

Agricultural employment declined in the South during 1982-87 and grew very slightly in 1988. The South experienced modest growth in 1988 in construction, all services, and government. It showed the slowest growth in manufacturing employment among the regions. Despite its lackluster growth rates, the nonmetro South added more jobs between 1987 and 1988 than any other region.

Total jobs in the West grew much faster in 1988 (3.4 percent) than in any other year since 1982. The region was the leader in agricultural job growth for most of the decade, with a 4-percent increase in 1988. The West led in growth in manufacturing employment and was the only region to show an increase in mining employment. Nonmetro government employment growth was highest in the West throughout 1982-88. Finally, in 1988, the West lagged in job growth in construction and wholesale services.

*[Martha Frederick, Andy Bernat, 202/219-0540]*

### All regions post job gains in 1980's

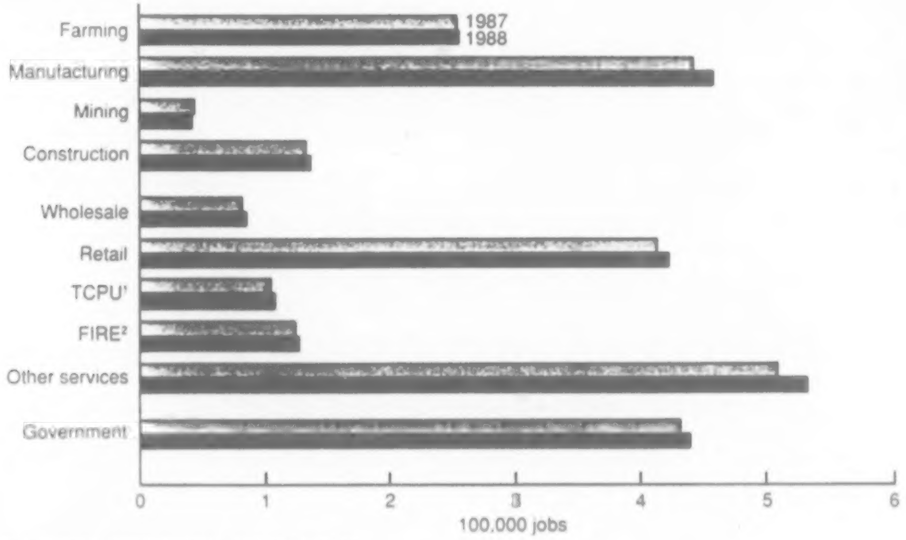
Goods sector tops in West, services in Northeast

| Region and industry | Metro 1982-87 | Metro 1987-88 | Nonmetro 1982-87 | Nonmetro 1987-88 |
|---|---|---|---|---|
| | *Average annual percentage change in jobs* | | | |
| United States | 3.0 | 2.9 | 1.6 | 2.8 |
| Goods-producing | 1.1 | 2.1 | .3 | 2.3 |
| Service-producing | 4.1 | 3.4 | 2.8 | 3.4 |
| Government | 1.5 | 1.8 | 1.3 | 2.0 |
| Northeast | 2.7 | 2.0 | 2.8 | 3.4 |
| Goods-producing | .3 | .3 | 1.3 | 2.3 |
| Service-producing | 3.9 | 2.6 | 4.2 | 4.2 |
| Government | 1.3 | 1.9 | 1.4 | 3.1 |
| Midwest | 2.6 | 2.8 | 1.2 | 2.5 |
| Goods-producing | 1.0 | 2.2 | .2 | 2.4 |
| Service-producing | 3.7 | 3.3 | 2.0 | 2.9 |
| Government | 1.2 | 1.4 | 1.2 | 1.4 |
| South | 3.1 | 3.1 | 1.6 | 2.6 |
| Goods-producing | .8 | 2.5 | .2 | 1.9 |
| Service-producing | 4.5 | 3.7 | 3.1 | 3.4 |
| Government | 1.7 | 1.8 | 1.1 | 1.9 |
| West | 3.6 | 3.6 | 1.8 | 3.4 |
| Goods-producing | 2.8 | 3.6 | .2 | 4.0 |
| Service-producing | 4.5 | 4.0 | 2.7 | 3.5 |
| Government | 1.8 | 2.0 | 1.7 | 2.4 |

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

### All major nonmetro industries expanded

Largest gains were in services



[1] Transportation, communications, and public utilities.
[2] Finance, insurance, and real estate.
Source: Bureau of Economic Analysis.

# Slight Decline Continues in Rural Earnings per Job

*Rural real earnings per job declined 0.7 percent in 1987-88 while urban earnings grew 1 percent. As a result, rural earnings slipped to 73.5 percent of urban.*

Rural real earnings per job declined slightly in 1987-88 as they had in 1986-87, falling from $17,639 (in 1988 dollars) in 1986 to $17,409 in 1988, the most recent year for which these data are available. Over the same period, urban real earnings increased modestly from $23,421 to $23,679. As a result, the gap between average urban and rural earnings grew from $5,783 to $6,270, and rural earnings declined from 75.3 percent of urban earnings in 1986 to 73.5 percent in 1988. Not since 1983, when rural areas were slower to recover following the 1980-82 recessions, have rural earnings per job been that low in relation to urban earnings (app. table 2).

Rural earnings were lower than urban earnings in all industries. The earnings gap was particularly large in manufacturing, construction, wholesale trade, services, and finance, insurance, and real estate. In 1987-88, rural real earnings per job fell in all goods-producing industries and in transportation, communications, and public utilities. In the other service-producing industries and government, rural earnings grew, but more slowly than urban earnings.

Declining real earnings per job in the rural Midwest and West caused the overall rural decline. Real earnings per job in the goods-producing industries declined more in the rural Midwest than in the other regions, with farm earnings particularly hard hit by the 1988 drought. Although the rural West was the only rural region with increasing earnings per job in mining, declines in the other goods-producing industries and in the transportation, finance, and government sectors caused a 1.1-percent decline in real earnings per job in the rural West.

Several factors may contribute to lower real earnings per job in rural industries nationally and regionally. Within industries, higher paid, more technical occupations are generally located in

**Nonmetro earnings per job lagged metro in all industries in 1988**

Compared with metro, nonmetro earnings were particularly low in manufacturing, construction, wholesale trade, finance, and services

| Industry | Earnings per job, 1988 | | Change in real earnings per job, 1987-88 | |
|---|---|---|---|---|
| | Nonmetro | Metro | Nonmetro | Metro |
| | *Dollars* | | *Percent* | |
| All industries | 17,409 | 23,679 | -0.7 | 1.0 |
| Goods-producing | 20,310 | 29,892 | -1.9 | .5 |
| Farming[1] | 13,409 | 14,610 | -6.1 | -3.4 |
| Manufacturing | 22,955 | 32,436 | -.9 | 1.0 |
| Mining | 29,998 | 32,742 | -.9 | -.3 |
| Construction | 21,256 | 28,276 | -2.2 | .2 |
| Service-producing | 14,867 | 21,415 | .2 | 1.3 |
| Wholesale trade | 21,034 | 31,341 | 1.0 | 3.1 |
| Retail trade | 10,815 | 13,425 | .3 | .5 |
| Transportation and public utilities | 28,117 | 32,340 | -2.7 | -1.5 |
| Finance, insurance, and real estate | 11,692 | 23,079 | .8 | 2.2 |
| Services | 15,133 | 21,893 | .9 | 1.5 |
| Government: Federal, State, and local | 18,870 | 23,944 | .5 | 1.3 |

Note: 1987 data revised.

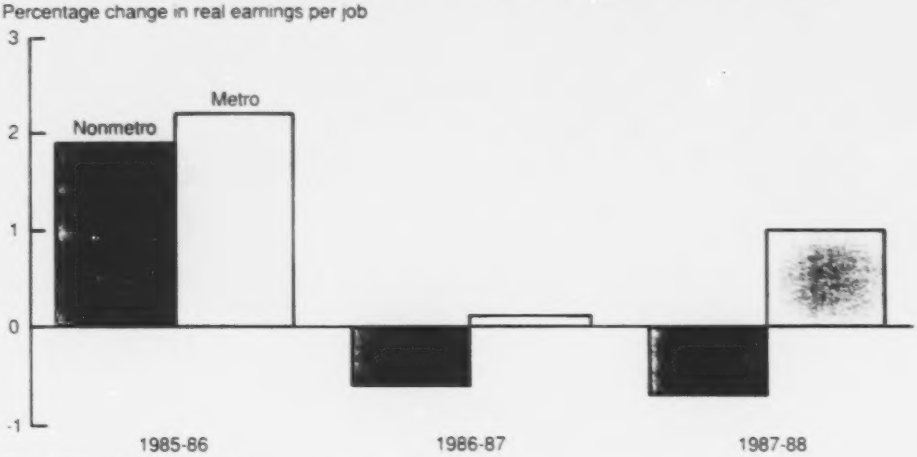
[1] Farming includes agricultural services, forestry, and fishing.

Source: Computed using data from the U.S. Department of Commerce, Bureau of Economic Analysis.

urban areas. Manufacturing plants and service-delivery industries that employ less skilled, lower wage production and service-delivery workers are more likely to be found in rural areas. Rural areas may also have higher proportions of part-time jobs that depress earnings per job in relation to urban earnings. And, rural wage rates may be lower than urban. *[Linda M. Ghelfi, 202/219-0547]*

### Nonmetro real earnings per job fell in 1987-88

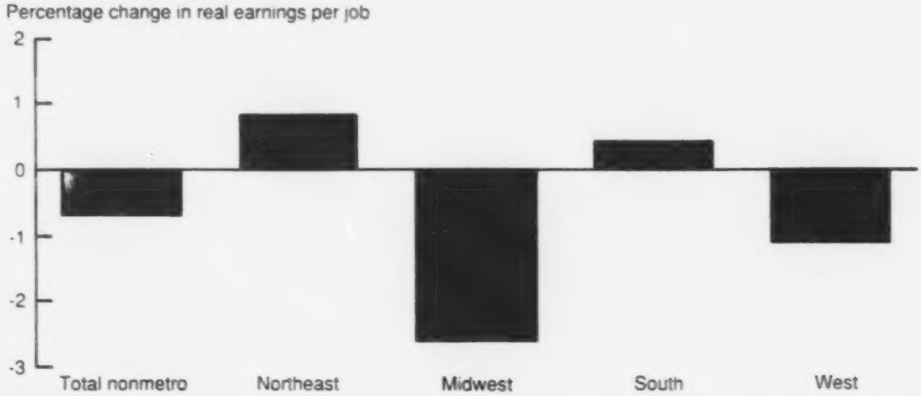
**Nonmetro earnings slid while metro earnings grew, as they had in 1986-87**



Note: 1986 and 1987 data revised.
Source: Computed using data from the U.S. Department of Commerce, Bureau of Economic Analysis.

### Real earnings per job declined in the nonmetro Midwest and West in 1987-88

**Declining real earnings in the nonmetro Midwest and West accounted for the overall nonmetro decline**



Note: 1987 data revised.
Source: Computed using data from the U.S. Department of Commerce, Bureau of Economic Analysis.

# Rural Income Grows Minimally

*Rural per capita income increased slightly in 1989, but more slowly than in urban areas. Per capita income for rural minorities actually declined slightly. The urban-rural income gap appears to be expanding.*

Despite continued growth in employment in 1989, improvement in rural income slackened, and was concentrated among Whites. A sizable gap between real per capita income in rural and urban areas persists and may be growing.

Real per capita income in rural areas increased modestly from $10,588 (1989 dollars) in 1988 to $10,693 in 1989, an increase of less than 1 percent, according to the 1990 March Current Population Survey (CPS). Growth in per capita income was more robust in urban areas. Urban per capita income increased by nearly 1.5 percent, a statistically significant increase. The slight increase in rural per capita income, although characteristic of the sluggish growth in per capita income seen in rural areas since 1986, is the smallest increase in 5 years (app. table 3).

The growth in rural per capita income was concentrated among Whites, although none of the changes were statistically significant. In 1989, rural Whites fared slightly better than they had in 1988. Per capita income for rural Whites increased from $11,136 in 1988 to $11,241 in 1989. Rural minorities fared slightly worse in 1989. Per capita income for rural Blacks slipped from $5,983 in 1988 to $5,868 in 1989, and per capita income for rural Hispanics fell from $6,334 in 1988 to $6,135 in 1989.

Much of the growth in rural income between 1988 and 1989 was in the South and West. In contrast, rural per capita income in the Northeast and Midwest slipped slightly.

The slow growth of rural per capita income contributes to an urban-rural income gap. In 1989, rural residents continued to receive less than three-quarters of the per capita income of urban residents. An especially large urban-rural income gap for Blacks suggests that rural Blacks are particularly disadvantaged. In 1989, rural Blacks received less than two-thirds of the per capita income received by urban Blacks. In contrast, rural Whites and Hispanics received nearly three-fourths of the income received by their urban counterparts. The relatively small urban-rural income gap for Hispanics, however, reflects a particularly low per capita income for urban Hispanics.

Because annual changes are slight, determining if the income gap has stabilized is difficult. Between 1985 and 1987, rural per capita income hovered at slightly more than 72 percent of urban per capita income. Data from 1988 seemed to indicate that the urban-rural per capita income gap was contracting; rural income increased to 73.5 percent of urban. During 1989, however, rural per capita income dipped to 73.2 percent of urban. The decline in the ratio of rural to urban per capita income (0.3 percentage point) is so small, that it could reflect either a stable or slightly widening income gap. However, corroborating evidence from the Bureau of Economic Analysis (BEA) suggests that the income gap may be once more inching upwards. BEA data show rural per capita income, as a percentage of urban, declining steadily since 1986.

In 1989, rural per capita income continued to improve, as it had for the previous 4 years. Yet, despite the improvements, growth in rural per capita income appears to be slowing, and rural minorities remain especially disadvantaged. Although the urban-rural income gap appears to have increased slightly, we cannot determine whether this widening is the beginning of a trend.

The current recession may impede continued improvement in rural income. Recent declines in rural unemployment have been associated with only moderate increases in rural income. Higher levels of unemployment accompanying economic recession, and subsequent declines in earned income, may further curb the already sluggish growth of rural income. *[Deborah Tootle, 202/219-0547]*

### Increase in nonmetro per capita income small

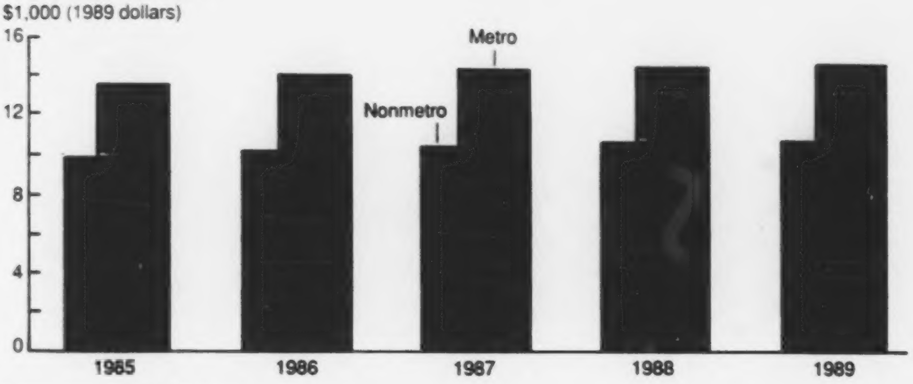
Nonmetro income higher for whites, lower for blacks and Hispanics

| Race | 1988 | | 1989 | |
|---|---|---|---|---|
| | Metro | Nonmetro | Metro | Nonmetro |
| | *1989 dollars* | | | |
| Total | 14,398 | 10,588 | 14,605 | 10,693 |
| White | 15,314 | 11,136 | 15,549 | 11,241 |
| Black | 9,161 | 5,983 | 9,255 | 5,868 |
| Hispanic | 8,428 | 6,334 | 8,471 | 6,135 |

Source: Current Population Survey.

### Income gap slightly wider

**Per capita incomes up slightly, but metro residents increase lead over nonmetro dwellers**



Source: Current Population Survey.

# Rural Poverty Stabilizes

*The rural poverty rate stabilized between 1988 and 1989, at about 16 percent. The stable rural poverty rate reflects a relatively constant rural unemployment rate during the same period. Poverty rates remained higher in rural than urban areas for all population groups.*

Poverty is still a problem in rural areas. Although the rural poverty rate stabilized between 1988 and 1989, it remained higher than the urban poverty rate. The poverty and unemployment rates are closely related in rural areas. The stable rural poverty rate resulted, in part, from a similarly stable rural unemployment rate. The level of the rural unemployment rate also affects who makes up the rural poor.

The 1989 rural poverty rate was 15.7 percent, about the same as in 1988. The small, 0.3-percentage-point decline in the rural poverty rate between 1988 and 1989 was not statistically significant. Changes for various rural population groups, such as blacks, people in families headed by women, and the elderly, were not statistically significant either. The urban poverty rate declined from 12.2 percent in 1988 to 12.0 percent in 1989, also a statistically insignificant change.

The stable rural poverty rate contrasts sharply with the 2.1-percentage-point decline between 1986 and 1988 discussed in last spring's ***Rural Conditions and Trends***. One factor contributing to the earlier decline was a 2.1-percentage-point decline in the unemployment rate. In contrast, the unemployment rate dropped by only 0.5 percentage point between 1988 and 1989.

The Census Bureau will not release the 1990 rural poverty rate until this fall. However, the rural unemployment rate remained at about the same level in 1990 (5.9 percent) as in 1989 (5.7 percent), suggesting that the rural poverty rate also probably remained at about the same level in 1990 as in 1989. A deep or prolonged recession in 1991 could lead to a higher 1991 rural poverty rate.

Speculating about changes in the rural poverty rate from changes in unemployment is not as daring as it may seem. The rural poverty rate is closely related to the rural unemployment rate. The relationship is apparent when the poverty and unemployment rates are graphed, and it can also be measured statistically. About 63 percent of the variation in the rural poverty rate between 1973 and 1989 is explained by variation in the rural unemployment rate. The corresponding urban figure is only 22 percent. Rural areas contain proportionately more low-skilled and low-wage production workers whose jobs are sensitive to swings in the economy.

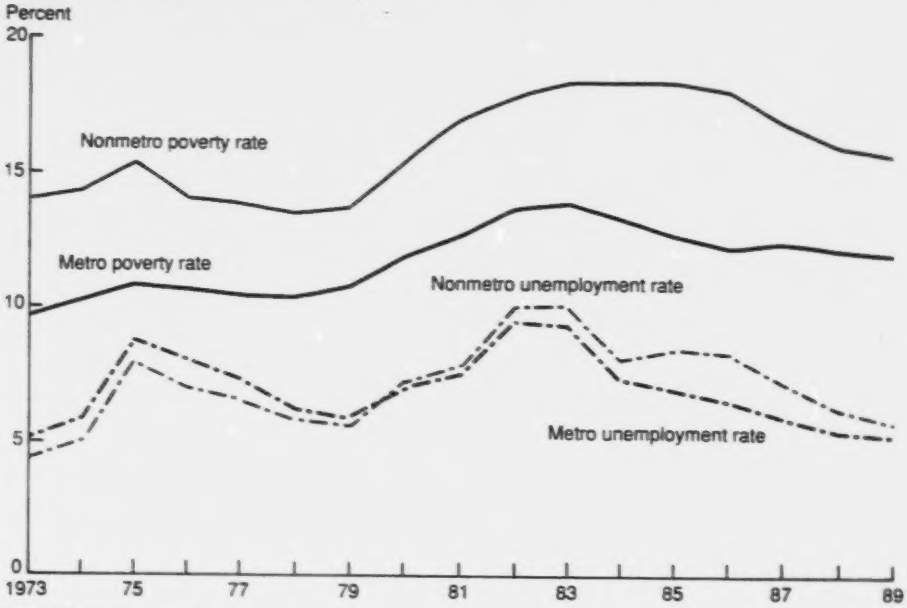
As in previous years, poverty was more severe in rural areas than in urban areas. The 1989 poverty rate for the population as a whole was about 3.7 percentage points higher in rural areas. And, each population group had a higher poverty rate in rural areas. Rural blacks, unrelated individuals, and people living in families headed by women had higher poverty rates than other groups. People who belonged to more than one high-risk group had particularly high poverty rates. For example, rural blacks living in families headed by women had a poverty rate of 59.4 percent.

The popular stereotype of the poor as members of families headed by women does not hold true in rural areas. Although rural people in families headed by women have a very high poverty rate, the rural poor are actually more likely to live in "other" (mostly married-couple) families. In 1989, only 30 percent of the rural poor lived in families headed by women, but 48 percent lived in other families. (The 48-percent figure included 45 percent in married-couple families and 3 percent in families headed by men with no wife present.) The remaining rural poor were largely unrelated individuals.

The family composition of the rural poor varies with economic conditions. Severe recessions, for example, reduce the hours worked by many people in other families, lowering their income below the poverty level. Between 1979 and 1983, the rural unemployment rate increased from 5.7 to 10.1 percent, and the rural poor increased by 3.9 million. More than 60 percent of these new rural poor lived in other families. As a result, the share of the rural poor in other families increased from 52.4 percent in 1979 to 55.7 percent in 1983, interrupting a long-term trend towards a decreasing share of the rural poor in this family type. Future sharp increases in unemployment could result in a similar increase in the share of the rural poor in other families.
*[Robert A. Hoppe, 202/219-0547]*

## Poverty and unemployment often move together

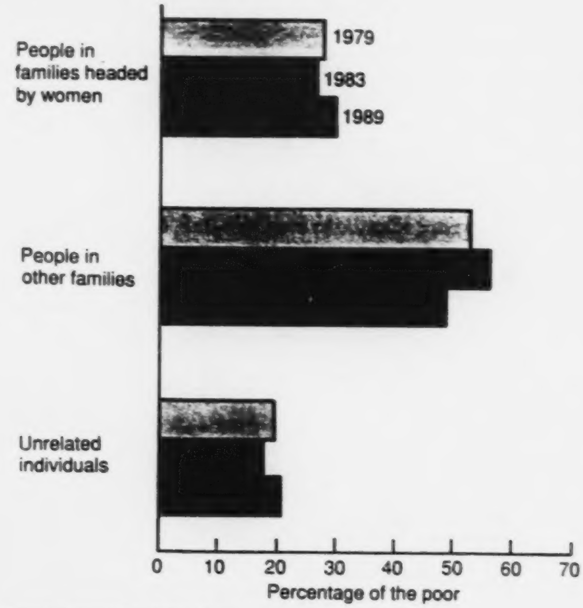
**Nonmetro poverty and unemployment rates consistently exceeded metro rates throughout the 1980's**



Source: Current Population Survey.

## Household relationships of the nonmetro poor

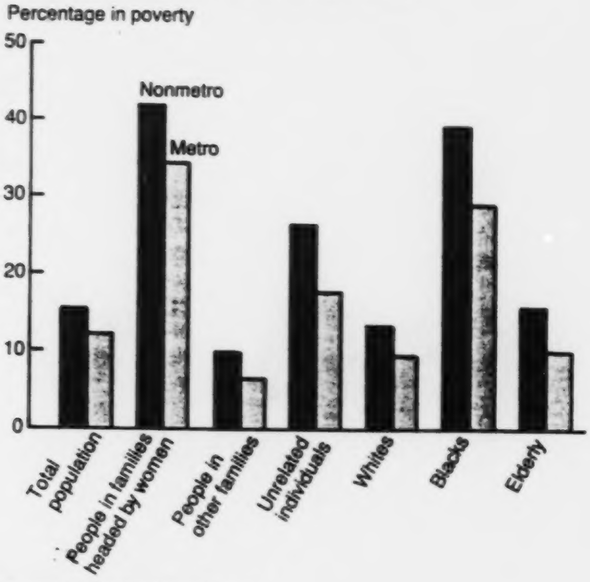
**Largest share live in other families, principally married-couple families**



Source: Current Population Survey.

## 1989 poverty rates highest in nonmetro areas

**Poverty rates for people in families headed by women, unrelated individuals, and blacks are particularly high in nonmetro areas**



Source: Current Population Survey.

# Rural Population Growth Slows During 1980-90

*Population decline was widespread, with remote nonmetro counties most likely to lose population. Counties in retirement and recreation areas, on the other hand, grew faster than the U.S. average.*

The 1970's trend of rapid nonmetro population growth did not continue into the 1980's, according to the 1990 Census. Although counties with declining population were widespread, they tended to be in the remote parts of the country, removed from metro areas. Most of the counties gaining in population were concentrated in recreation and retirement areas. The Midwest was the only region where growing nonmetro counties could not compensate for the loss in those that declined, resulting in an overall population loss for the nonmetro Midwest.

The U.S. nonmetro population grew by only 4 percent during 1980-90, while the metro population increased by 12 percent. The factors that made nonmetro areas attractive in the 1970's, most notably the availability of jobs, did not continue into the 1980's. During 1970-80, the nonmetro growth rate of 14 percent had exceeded the 10-percent growth rate for metro areas.

According to the final results of the 1990 Census, 248.7 million people lived in the United States. This figure is 923,000 lower than the count of 249.6 million intended for congressional apportionment purposes that was more widely released by the Census Bureau. The larger figure includes overseas civilian government and military employees and family members living with them. Nonmetro areas (1983 boundaries) accounted for 22.8 percent of the U.S. total.

### Concentration of Population Growth and Loss

Proximity to a metro area helped foster growth in nonmetro counties. Only 40 percent of metro-adjacent counties declined, while 60 percent of nonadjacent counties declined. More influential was a recreation or retirement sector in the county's economy. Nearly half of all nonmetro counties classified as a retirement destination (231) grew faster than the U.S. average. Retirement counties collectively had a net gain of almost 2 million persons with more than half of the growth in the South. Florida's nonmetro population alone increased by 387,000.

Retirement and recreation counties constituted the bulk of "fast-growth" nonmetro counties. Roughly a fifth of all nonmetro counties grew faster than the U.S. average of 9.8 percent. Among growing nonmetro counties, these fast-growth counties accounted for 80 percent of all growth. The nonmetro West grew by 15 percent, almost seven times that of the rest of the nonmetro United States. Most of the West's growth was in California, Nevada, Arizona, and Alaska. For reasons that are not yet clear, both nonmetro Alaska and California had growth rates that exceeded their metro rates.

Although rural America grew overall, more than half of all nonmetro counties lost population during the 1980's. These declining counties showed a collective loss of 6.3 percent or 1.5 million people. More than two-thirds of the declining nonmetro counties were not adjacent to a metro area. Nonadjacent counties had an overall growth rate of almost 2 percent, but the declining nonadjacent counties lost nearly 1 million residents.

Nonmetro counties with declining population are concentrated in the Corn Belt, Great Plains, Mississippi Delta, Appalachian Coal Fields, and mining areas of the West. Three-fourths of all nonmetro counties that depend on agriculture lost population. These counties lost 451,000 persons. Of these agriculture-dependent counties, those not adjacent to a metro area were the biggest losers; they lost about 326,000 persons. Nonmetro counties that depend on mining did not fare any better than agricultural counties. Roughly 75 percent of all mining-dependent counties lost population, with metro-adjacent counties losing roughly 57,000 persons, and nonadjacent counties losing 203,000 persons.

The Midwest, the only Census region to decline in nonmetro population, lost 295,000 persons or 1.7 percent of its nonmetro population. Nonmetro Iowa alone accounted for almost half of the region's population loss. Nonmetro Iowa and North Dakota both showed rates of loss of more than 8 percent, although because of its smaller population base, North Dakota's loss of 37,000 people represented a smaller share of the region's loss. *[Margaret Butler, 202/219-0534]*

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## Change in population varies by region

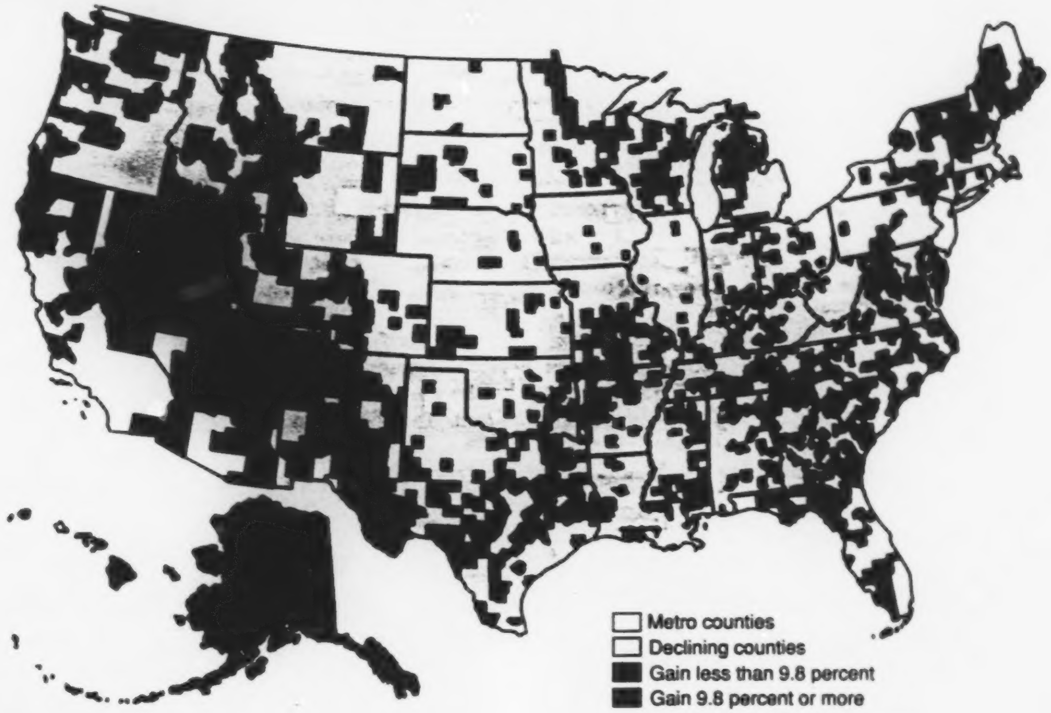
The nonmetro Midwest lost population between 1980-90

| Region | 1990 Population |  | Population change |  |
|---|---|---|---|---|
|  | Metro | Nonmetro | Metro | Nonmetro |
|  | *Thousands* |  | *Percent* |  |
| Northeast | 45,038 | 5,771 | 3.2 | 4.9 |
| Midwest | 42,576 | 17,092 | 2.6 | -1.7 |
| South | 60,226 | 25,219 | 17.3 | 4.9 |
| West | 44,182 | 8,604 | 23.8 | 14.8 |
| Total United States | 192,023 | 56,687 | 11.6 | 4.2 |

Source: 1990 Census of Population.

## Nonmetro population change, 1980-90

**Population gains along the Pacific Coast, in the Southwest, and in Florida more than made up for the areas with declining population**


☐ Metro counties
☐ Declining counties
■ Gain less than 9.8 percent
■ Gain 9.8 percent or more

National average is 9.8 percent

Source: 1990 Census of Population.

# Rural Families Headed by Women Are on the Rise

*Rural households and families remain more traditional than their urban counterparts, although rural areas have changed so quickly in the last decade that some differences disappeared by 1990. Single-parent families, increasing faster in rural areas, now constitute a sizable share of younger families.*

Rural household and family changes often lag behind those in urban areas. However, continued economic distress in rural areas within the last decade may have accelerated family change so that some rural stress indicators have reached or even surpassed urban levels. The stereotype that small towns and rural areas are conducive to traditional family life where almost all children are raised in husband and wife families is becoming less accurate. This is especially the case for rural blacks, where a sharp rise in young single-parent families made them as common in rural as urban areas in 1990.

The most common type of household in 1990 remains the family household with two or more people headed by a couple, rather than households of unrelated people or people living alone. Families constituted a larger share of rural households than urban households, although the percentage of families declined in both areas.

### Rural Households and Families Becoming More Like Urban Ones

Families have declined as a share of all rural households, both older and younger. For households where the head is older than 55 years, the relative decline in family households has been accompanied by an increase in the share of people living alone, to 38 percent. Rural and urban older people are equally likely to live alone. Although substantially higher than for older people, the share of families among younger rural households (where heads are under age 55) decreased 5 percentage points between 1979 and 1990 to 81 percent. The reduced share of rural younger family households was due to higher shares of both people living alone and with unrelated persons.

Among younger families especially, the share of married-couple families is shrinking. In rural areas in 1990, 80 percent of younger families were headed by married couples, down from 84 percent in 1979. The decline in younger married-couple families reflects the trends of delayed first marriage, increased divorce and separation, and mothers raising children alone. These trends show no signs of decreasing and the share of young married-couple families will probably continue to shrink.

Families headed by women account for an increasing share of all young families. By 1990, the share of younger rural families headed by women had increased to 16 percent, fast approaching the size of the urban share, at 19 percent. The phenomenon has become so pronounced among young black families that in 1990 the share of families headed by women was almost the same as the share of married-couple families in both urban and rural areas.

The traditional family consisting of a married couple with children is more common in rural areas, but declined somewhat faster in rural than in urban areas during the decade. Among younger rural families with children, the percentage headed by a married couple dropped 6 percentage points between 1979 and 1990 to 78 percent. The sharper rural decline in the prevalence of a married couple raising children may in part be a reflection of the decrease in men's earnings in rural areas during the decade, which may have increased family stress and the likelihood of divorce for married couples and possibly reduced the importance of marrying for single mothers.

### New Rural/Urban Differences in Families with Young Children

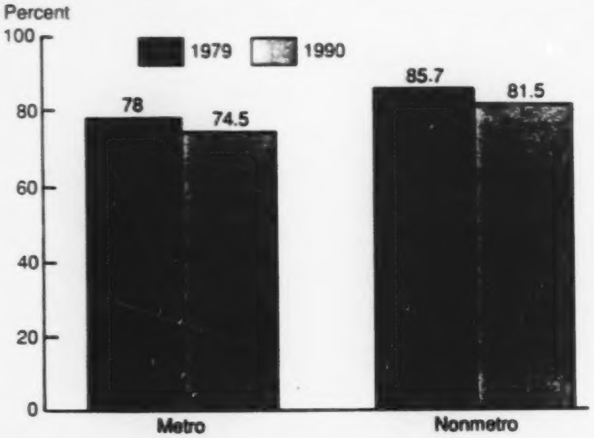
The share of young children (under age 6) who live in families headed by women has increased nationally in the last decade. For rural children the increase has been greater, nearly closing the rural/urban gap. Seventeen percent of young rural children lived in families headed by women in 1990, up 6 percentage points since 1979. For young rural black children, the jump in the percentage living in families headed by women has been startling, up 23 percentage points since 1979 to 58 percent in 1990. The urban increase was not as high, but substantial nonetheless, up 16 percentage points to 52 percent. The steeper rural increase in young black children living in families headed by women creates a new rural/urban difference where none existed before.

The relative rural/urban proportions of families with young children indicate that the recent increase in birth rates may be a primarily urban trend. Since 1979, the share of families with young children among all families with children has remained steady in rural areas at about 44 percent. In urban areas, however, the share of families with young children increased to 48 percent in 1990. The prolonged rural recession may have prompted rural families to delay or stop adding to their families.

An increasing share of rural people are now living outside the economic security of married-couple families. The poverty rates for those living alone (17.5 percent) and families headed by women (32.2 percent) are far greater than that for families headed by a married couple (5.6 percent). The decreased role of traditional families cuts across age groups and represents a serious burden on public services. *[Linda Swanson, Laarni Dacquel, 202/219-0534]*

### Decline of younger family households

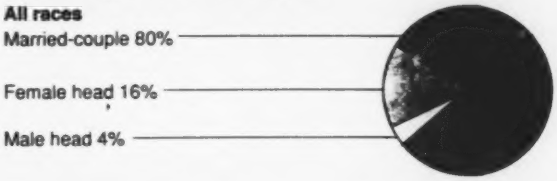
**Younger family households are more prevalent in nonmetro areas, but are declining over time in all areas**



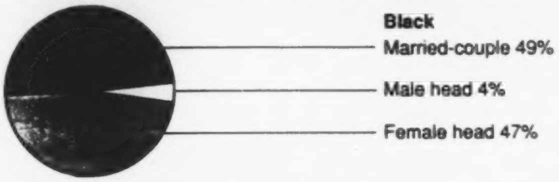
Source: Computed from 1979 and 1990 March Current Population Survey.

### Nonmetro family types

**Most common type of younger nonmetro family is headed by a married couple**



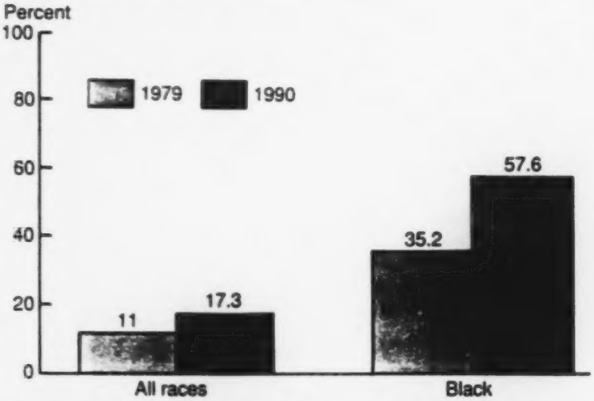
**For nonmetro blacks, families headed by women are nearly as common as married-couple families**



Source: Computed from 1990 March Current Population Survey.

### Nonmetro children in families headed by women

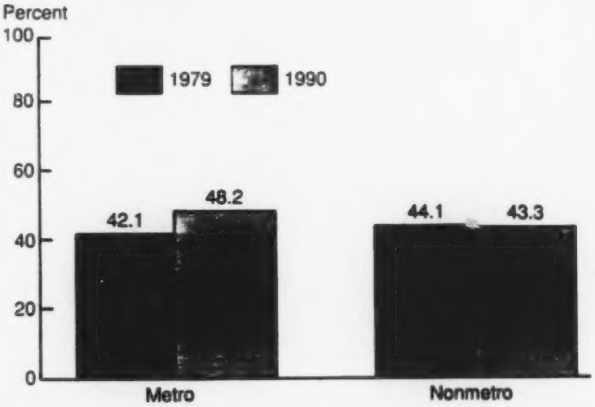
**The share of nonmetro younger children in families headed by women rises for all races, but particularly for blacks**



Source: Computed from 1979 and 1990 March Current Population Survey.

### Families with young children

**Likelihood of families with children to have young children increases in metro areas, but remains steady in nonmetro areas**



Source: Computed from 1979 and 1990 March Current Population Survey.

# Appendix I: Data Sources

Assessing the changing conditions and trends in rural America is complicated by the need to use a variety of data sources for monitoring demographic and economic patterns. Because different sources of data are intended for different purposes and employ different definitions and collection methods, they sometimes produce contradictory statistics and may lead to different interpretations. Describing rural conditions, therefore, necessitates piecing together general trends from many sources of information.

## Macroeconomic Conditions

The economic indicators used to monitor macroeconomic changes in the U.S. economy are derived from Federal sources. Measures of inflation, including the Consumer and Producer Price Indexes, and employment and unemployment data are developed by the U.S. Department of Labor's Bureau of Labor Statistics (BLS). National income and product account information on capital investment, gross national product, and net exports is produced by the Bureau of Economic Analysis (BEA), U.S. Department of Commerce. Information relating to monetary policy, including changes in interest rates and foreign exchange rates, and data on industrial production are furnished by the Federal Reserve Board of Governors.

## Employment and Earnings

Data on nonmetro employment, unemployment, and earnings come from three sources. The monthly Current Population Survey (CPS), conducted by the Bureau of the Census for the U.S. Department of Labor, provides detailed information on the labor force, employment, unemployment, and demographic characteristics of the metro and nonmetro population. The CPS derives estimates based on a national sample of about 58,000 households that are representative of the U.S. civilian noninstitutional population 16 years of age and over. Labor force information is based on respondents' activity during 1 week each month.

BLS county-level employment data are taken from unemployment insurance claims and State surveys of establishment payrolls which are then benchmarked to State totals from the CPS. Thus, at the national and State levels, annual average BLS and CPS estimates are the same. The BLS data series provides monthly estimates of labor force, employment, and unemployment for individual counties.

The BEA employment data, unlike the household data collected by the CPS and BLS, provide establishment data on the number of jobs rather than the number of workers. The BEA data are taken primarily from administrative reports filed by employers covered under unemployment insurance laws and from information obtained from the Internal Revenue Service and the Social Security Administration. Thus, jobs and earnings for these jobs are counted at the place of work and are based on a virtual universal count rather than a sample. The BEA data provide detailed information on the number and type of jobs, earnings by industry, and sources and amounts of income at the county level. A shortcoming of the BEA data is the 2-year lag between when they are collected and when they are available for analysis.

Each of these data sets has its advantages and disadvantages. The CPS furnishes detailed employment, unemployment, and demographic data for metro and nonmetro portions of the Nation. The BEA provides estimates of the number of jobs and earnings by industry for individual county areas. BLS provides less detailed employment data than the other two series, but offers very current and timely employment and unemployment information at the county level. While these data sources are likely to provide different estimates of employment conditions at any point in time, they generally indicate similar trends.

## Income and Poverty

Each March, supplemental questions are added to the CPS to obtain information on money income and poverty status of families and persons in the United States during the previous year. Data are collected for the amount and sources of income, including wage and salary earnings, self-employment income, and transfer payments. Information on family size and income is used to estimate the number of families and individuals in poverty based on official guidelines issued by the Office of Management and Budget. Demographic data are available to examine the distribution of income and the characteristics of the poverty populations in metro and nonmetro areas.

## Population Growth and Migration

Population counts, births, deaths, and net migration are estimated at the county level by the Bureau of the Census. Rates of population change and of net migration are calculated using this county estimates data series. Characteristics of migrants are drawn from the March CPS.

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**Adjacent and nonadjacent nonmetro counties:** Nonmetro counties that are physically adjacent to one or more metro areas and have at least 2 percent of the employed labor force commuting to work in a central metro county. All other nonmetro counties are classified as nonadjacent.

**Adjusted unemployment rate:** The number of unemployed people, discouraged workers who have given up looking for work, and half of the workers who work part-time but want full-time work as a percentage of the civilian labor force plus discouraged workers.

**Administration forecast:** The administration's economic assumptions are developed jointly by the Council of Economic Advisors, the Department of the Treasury, and the Office of Management and Budget.

**Civilian labor force:** Noninstitutional civilians aged 16 or older who are either employed or unemployed. Individuals who are neither employed nor unemployed are out of the labor force.

**Consumer Price Index (CPI):** A measure of the average price level of a basket of consumer goods and services at the retail level for a specific period compared against a benchmark period.

**County type classification:** A USDA classification of nonmetro counties by principal economic activity or demographic base, such as farming-, manufacturing-, or mining-dependent, persistent poverty, or retirement destination, among others.

**Earnings:** The sum of wages and salaries, other labor income, and proprietor's income. Wages and salaries include commissions, tips, bonuses, and in-kind payments that represent income to the employee. Wages and salaries are measured before deductions such as Social Security contributions and union dues. Other labor income consists primarily of employer contributions to private pension and welfare funds, including privately administered workers' compensation funds.

**Family:** Two or more people residing together who are related by birth, marriage, or adoption. In primary families, one person is the head of the household. A primary family may include unrelated subfamilies who share quarters with but are not related to the head of the household. For example, an unrelated subfamily may be a couple who rent a room. We do not include related subfamilies because we do not know whether they are financially independent or living in an extended family arrangement. A related subfamily, for example, may be a young married couple living with one set of parents.

**Foreign exchange rate:** The rate at which one currency is traded for another. The Federal Reserve publishes a measure of the overall U.S foreign exchange rate based on the rates of the 10 major U.S. trading partners.

**Goods-producing industries:** Farming, mining, construction, manufacturing, and the combined category of agricultural services, forestry, fishing, and other industries.

**Government:** Federal, State, and local government and government enterprises.

**Gross national product (GNP):** The dollar amount of final goods and services produced by the United States. GNP is the sum of consumer spending, Federal Government purchases of goods and services, business investment, and exports less the amount of imports. This statistic is reported quarterly but is revised in each of the 2 months following the initial release. Nominal GNP measures final goods and services at current prices. Real GNP measures final goods and services at 1982 prices to adjust for inflation.

**Income:** The sum of the amounts of money received from (1) money wages or salary; (2) nonfarm self-employment; (3) farm self-employment; (4) Social Security or railroad retirement; (5) Supplemental Security Income; (6) public assistance or welfare payments; (7) interest, dividends, and rental; (8) veterans payments or unemployment and workers' compensation; (9) private or government employee pensions; or (10) alimony, child support, and other periodic income.

**Inflation rate:** The percentage change in a measure of the average price level. Changes are reported on a monthly basis and are stated as annual rates for longer term comparisons. The two major measures of the average price level are the Consumer and Producer Price Indexes.

**Labor force participation rate:** The civilian labor force as a percentage of the civilian noninstitutional population 16 years and older.

## Appendix II: Definitions

**Metro areas:** Metropolitan Statistical Areas (MSA's), as defined by the Office of Management and Budget, include core counties containing a city of 50,000 or more people or containing several smaller cities totaling 50,000 or more people and a total area population of at least 100,000. Additional contiguous counties are included in the MSA if they are economically and socially integrated with the core county. Metro areas are divided into central cities and areas outside central cities (suburbs). Throughout this publication, urban and metro have been used interchangeably to refer to people or places within MSA's.

**Net migration:** The number of people who moved into an area minus the number of people who moved out of that area over a given period of time. Net outmigration indicates that more people moved out than in. Net inmigration means that an area gained more migrants than it lost.

**Nonmetro areas:** Counties outside of metro area boundaries. Throughout this publication, rural and nonmetro are used interchangeably to refer to people and places outside of MSA's.

**Per capita income:** The mean, or average, income available to every man, woman, and child in a particular group. It is computed by dividing total income of the group by the population in that group.

**Poverty:** A person is in poverty if his or her family's money income is below the official poverty threshold appropriate for the size and type of family. Different thresholds exist for elderly and nonelderly unrelated individuals, for two-person families with and without elderly heads, and for families of different sizes and numbers of children. The poverty threshold for a family of four was $12,600 in 1989. The thresholds are adjusted annually by the Consumer Price Index to reflect inflation.

**Producer Price Index for finished goods (PPI):** A measure of average producer prices of finished goods underlying the retail prices for a specific period compared against a benchmark period.

**Real earnings:** The value of earnings adjusted to reflect price changes. Earnings in earlier years were adjusted using the implicit price deflator for personal consumption expenditures to reflect their value as of 1988. With the deflator valued at 100 for 1988, the deflators for 1979 through 1987 were 62.8, 69.6, 76, 80.3, 83.6, 86.8, 89.6, 91.8, and 96.2, respectively.

**Rural-urban continuum code:** A 10-part classification scheme that distinguishes metro counties by size and nonmetro counties by degree of urbanization and proximity to a metro area.

**Service-producing industries:** Transportation and public utilities; wholesale and retail trade; finance, insurance, and real estate; services (including hotel, business, health, legal, and other services).

**Unrelated individuals:** People who do not live with relatives. An unrelated individual may live alone, with nonrelatives, or in group quarters with no relatives. Lodgers or resident employees with no relatives in the household are also unrelated individuals. (Inmates of institutions are not classified as unrelated individuals.)

**Unemployment rate:** The number of unemployed people as a percentage of the civilian labor force.

## Appendix table 1—Nonmetro and metro employment statistics: Annual averages

| Year | Labor force | Labor force participation rate | Employment | Unemployment | Unemployment rate | Adjusted unemployment rate[1] |
|---|---|---|---|---|---|---|
| | *Thousands* | *Percent* | *Thousands* | *Thousands* | *Percent* | *Percent* |
| Nonmetro: | | | | | | |
| 1990 | 26,319 | 62.8 | 24,766 | 1,554 | 5.9 | 9.4 |
| 1989 | 26,209 | 63.2 | 24,718 | 1,491 | 5.7 | 9.1 |
| 1988 | 25,409 | 62.4 | 23,827 | 1,582 | 6.2 | 10.1 |
| 1987 | 25,101 | 62.1 | 23,302 | 1,799 | 7.2 | 11.3 |
| 1986 | 25,171 | 61.9 | 23,091 | 2,080 | 8.3 | 12.8 |
| 1985 | 24,781 | 61.2 | 22,700 | 2,081 | 8.4 | 13.0 |
| 1984 | 34,721 | 62.1 | 31,930 | 2,796 | 8.1 | 12.2 |
| 1983 | 34,156 | 61.8 | 30,696 | 3,460 | 10.1 | 14.9 |
| 1982 | 33,740 | 61.7 | 30,335 | 3,405 | 10.1 | 14.9 |
| 1981 | 33,092 | 61.9 | 30,488 | 2,603 | 7.9 | 11.5 |
| 1980 | 32,512 | 61.7 | 30,150 | 2,362 | 7.3 | 10.7 |
| 1979 | 31,716 | 61.5 | 29,918 | 1,800 | 5.7 | 8.5 |
| 1978 | 31,682 | 61.5 | 29,844 | 1,837 | 5.8 | 8.8 |
| 1977 | 30,307 | 60.5 | 28,317 | 1,990 | 6.6 | 9.8 |
| 1976 | 29,190 | 59.6 | 27,150 | 2,040 | 7.0 | 10.2 |
| 1975 | 28,386 | 59.2 | 26,126 | 2,260 | 8.0 | 11.6 |
| Metro: | | | | | | |
| 1990 | 98,468 | 67.4 | 93,148 | 5,320 | 5.4 | 7.9 |
| 1989 | 97,660 | 67.4 | 92,624 | 5,036 | 5.2 | 7.5 |
| 1988 | 96,260 | 66.9 | 91,141 | 5,119 | 5.3 | 7.9 |
| 1987 | 94,764 | 66.6 | 89,138 | 5,625 | 5.9 | 8.7 |
| 1986 | 92,665 | 66.2 | 86,508 | 6,157 | 6.6 | 9.5 |
| 1985 | 90,684 | 65.9 | 84,453 | 6,231 | 6.9 | 9.9 |
| 1984 | 78,819 | 65.4 | 73,076 | 5,743 | 7.3 | 10.4 |
| 1983 | 77,394 | 65.1 | 70,137 | 7,257 | 9.4 | 13.1 |
| 1982 | 76,465 | 65.1 | 69,192 | 7,273 | 9.5 | 13.1 |
| 1981 | 73,301 | 64.9 | 67,825 | 5,476 | 7.5 | 10.3 |
| 1980 | 72,207 | 64.8 | 67,120 | 5,087 | 7.0 | 9.5 |
| 1979 | 71,192 | 64.7 | 67,029 | 4,163 | 5.8 | 8.0 |
| 1978 | 68,738 | 64.0 | 64,529 | 4,210 | 6.1 | 8.4 |
| 1977 | 67,094 | 63.1 | 62,229 | 4,866 | 7.3 | 9.8 |
| 1976 | 65,584 | 62.5 | 60,335 | 5,248 | 8.0 | 10.6 |
| 1975 | 64,227 | 62.1 | 58,657 | 5,570 | 8.7 | 11.5 |

Note: Beginning in 1985, estimation procedures for the Current Population Survey are based on the 1980 Census.

[1] Unemployment rate adjusted to include discouraged workers and half of the workers employed part-time for economic reasons.

Source: Bureau of the Census, Current Population Survey.

### Appendix table 2—Jobs by industry and Census region

| Item | United States | | Northeast | | Midwest | | South | | West | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Metro | Nonmetro | Metro | Nonmetro | Metro | Nonmetro | Metro | Nonmetro | Metro | Nonmetro |
| | | | | | *Thousands* | | | | | |
| 1982 total | 89,174 | 23,391 | 21,829 | 2,324 | 20,371 | 7,553 | 27,712 | 10,043 | 19,262 | 3,472 |
| Agriculture | 1,835 | 2,720 | 263 | 134 | 401 | 1,082 | 595 | 1,131 | 575 | 373 |
| Manufacturing | 15,175 | 4,079 | 4,312 | 492 | 4,230 | 1,203 | 3,824 | 2,075 | 2,809 | 309 |
| Mining | 728 | 628 | 45 | 33 | 63 | 118 | 494 | 350 | 126 | 127 |
| Construction | 4,157 | 1,184 | 849 | 105 | 788 | 344 | 1,657 | 534 | 863 | 201 |
| Wholesale | 4,892 | 818 | 1,253 | 73 | 1,140 | 312 | 1,523 | 328 | 975 | 105 |
| Retail | 14,482 | 3,616 | 3,313 | 378 | 3,443 | 1,215 | 4,569 | 1,445 | 3,157 | 578 |
| TCPU | 4,622 | 1,002 | 1,128 | 94 | 1,041 | 331 | 1,507 | 404 | 946 | 173 |
| FIRE | 6,836 | 1,055 | 1,754 | 104 | 1,487 | 363 | 2,004 | 401 | 1,591 | 188 |
| Other services | 21,931 | 4,242 | 5,808 | 527 | 4,886 | 1,391 | 6,332 | 1,622 | 4,905 | 702 |
| Government | 14,516 | 4,048 | 3,103 | 383 | 2,892 | 1,194 | 5,207 | 1,754 | 3,314 | 717 |
| 1987 total | 103,461 | 25,365 | 24,892 | 2,671 | 23,199 | 8,030 | 32,331 | 10,870 | 23,039 | 3,795 |
| Agriculture | 1,982 | 2,543 | 300 | 133 | 410 | 995 | 624 | 1,031 | 647 | 384 |
| Manufacturing | 15,129 | 4,423 | 3,956 | 488 | 4,237 | 1,336 | 3,873 | 2,248 | 3,064 | 351 |
| Mining | 539 | 434 | 40 | 25 | 58 | 93 | 345 | 233 | 96 | 83 |
| Construction | 5,521 | 1,340 | 1,249 | 168 | 1,052 | 353 | 2,013 | 617 | 1,207 | 202 |
| Wholesale | 5,485 | 813 | 1,427 | 81 | 1,264 | 298 | 1,656 | 330 | 1,137 | 104 |
| Retail | 17,265 | 4,106 | 3,915 | 465 | 4,038 | 1,307 | 5,576 | 1,692 | 3,735 | 643 |
| TCPU | 5,091 | 1,067 | 1,211 | 108 | 1,150 | 352 | 1,676 | 433 | 1,054 | 175 |
| FIRE | 8,575 | 1,234 | 2,188 | 133 | 1,760 | 400 | 2,588 | 484 | 2,039 | 217 |
| Other services | 28,201 | 5,095 | 7,288 | 658 | 6,154 | 1,629 | 8,321 | 1,953 | 6,439 | 855 |
| Government | 15,674 | 4,310 | 3,316 | 412 | 3,076 | 1,268 | 5,661 | 1,849 | 3,621 | 781 |
| 1988 total | 106,435 | 26,068 | 25,391 | 2,763 | 23,850 | 8,232 | 33,326 | 11,150 | 23,868 | 3,923 |
| Agriculture | 2,056 | 2,549 | 306 | 132 | 413 | 987 | 647 | 1,033 | 691 | 397 |
| Manufacturing | 15,362 | 4,583 | 3,921 | 501 | 4,318 | 1,401 | 3,968 | 2,311 | 3,155 | 369 |
| Mining | 544 | 429 | 40 | 24 | 57 | 90 | 350 | 228 | 97 | 88 |
| Construction | 5,700 | 1,383 | 1,296 | 176 | 1,097 | 366 | 2,057 | 635 | 1,250 | 207 |
| Wholesale | 5,624 | 839 | 1,452 | 83 | 1,290 | 309 | 1,700 | 342 | 1,183 | 105 |
| Retail | 17,724 | 4,233 | 3,971 | 484 | 4,158 | 1,341 | 5,728 | 1,744 | 3,866 | 663 |
| TCPU | 5,234 | 1,097 | 1,239 | 112 | 1,179 | 359 | 1,734 | 447 | 1,082 | 179 |
| FIRE | 8,730 | 1,251 | 2,223 | 137 | 1,807 | 403 | 2,627 | 491 | 2,072 | 220 |
| Other services | 413 | 5,308 | 7,564 | 689 | 6,411 | 1,689 | 8,751 | 2,034 | 6,778 | 896 |
| Government | 29,504 | 4,395 | 3,380 | 425 | 3,119 | 1,286 | 5,763 | 1,885 | 3,694 | 799 |

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

## Appendix table 3—Real earnings per job in nonmetro and metro areas

| Item | 1979 | 1980 | 1981 | 1982 | 1983 |
|---|---|---|---|---|---|
| | | | *1988 dollars* | | |
| United States | 22,248 | 21,581 | 21,364 | 21,202 | 21,335 |
| Nonmetro | 18,613 | 17,510 | 17,538 | 16,988 | 16,637 |
| Metro | 23,230 | 22,667 | 22,374 | 22,307 | 22,561 |
| Metro/nonmetro earning gap | 4,617 | 5,157 | 4,836 | 5,319 | 5,924 |
| | | | *Percent* | | |
| Nonmetro as share of metro | 80.1 | 77.2 | 78.4 | 76.2 | 73.7 |
| Annual change: | | | | | |
| United States | -1.0 | -3.0 | -1.0 | -.8 | .6 |
| Nonmetro | -.4 | -5.9 | .2 | -3.1 | -2.1 |
| Metro | -1.2 | -2.4 | -1.3 | -.3 | 1.1 |
| | 1984 | 1985 | 1986 | 1987 | 1988 |
| | | | *1988 dollars* | | |
| United States | 21,668 | 21,832 | 22,278 | 22,280 | 22,446 |
| Nonmetro | 17,254 | 17,639 | 17,530 | 17,409 | 17,301 |
| Metro | 22,788 | 22,980 | 23,421 | 23,444 | 23,679 |
| Metro/nonmetro earning gap | 5,487 | 5,726 | 5,782 | 5,914 | 6,270 |
| | | | *Percent* | | |
| Nonmetro as share of metro | 75.9 | 75.1 | 75.3 | 74.8 | 73.5 |
| Annual change: | | | | | |
| United States | 1.6 | .8 | 2.0 | 0 | .7 |
| Nonmetro | 4.0 | -.3 | 2.2 | -.6 | -.7 |
| Metro | 1.0 | .8 | 1.9 | .1 | 1.0 |

Source: Computed using data from the U.S. Department of Commerce, Bureau of Economic Analysis.

## Appendix table 4—Per capita income for metro and nonmetro areas by year

| Year | Metro | Nonmetro |
|---|---|---|
| | *1989 dollars* | |
| 1985 | 13,519 | 9,772 |
| 1986 | 14,080 | 10,171 |
| 1987 | 14,285 | 10,366 |
| 1988 | 14,398 | 10,588 |
| 1989 | 14,605 | 10,692 |

Source: Current Population Survey.

## Appendix table 5—Metro population by State

| State | Population | | | Population change | |
|---|---|---|---|---|---|
| | 1970 | 1980 | 1990 | 1970-80 | 1980-90 |
| | ----Thousands---- | | | ----Percent---- | |
| Alabama | 2,169 | 2,462 | 2,592 | 13.5 | 5.3 |
| Alaska | 126 | 174 | 226 | 38.0 | 29.8 |
| Arizona | 1,321 | 2,041 | 2,789 | 54.5 | 36.7 |
| Arkansas | 730 | 885 | 943 | 21.2 | 6.5 |
| California | 19,138 | 22,554 | 28,315 | 17.9 | 25.5 |
| Colorado | 1,772 | 2,326 | 2,686 | 31.3 | 15.5 |
| Connecticut | 2,804 | 2,858 | 3,010 | 2.0 | 5.3 |
| Delaware | 386 | 398 | 442 | 3.2 | 11.0 |
| District of Columbia | 757 | 638 | 607 | -15.6 | -4.9 |
| Florida | 6,175 | 8,798 | 11,602 | 42.5 | 31.9 |
| Georgia | 2,807 | 3,403 | 4,212 | 21.2 | 23.8 |
| Hawaii | 631 | 763 | 836 | 20.9 | 9.7 |
| Idaho | 112 | 173 | 206 | 54.3 | 18.9 |
| Illinois | 9,127 | 9,340 | 9,450 | 2.3 | 1.2 |
| Indiana | 3,551 | 3,719 | 3,796 | 4.7 | 2.1 |
| Iowa | 1,154 | 1,223 | 1,223 | 6.0 | 0 |
| Kansas | 1,082 | 1,153 | 1,302 | 6.6 | 12.9 |
| Kentucky | 1,550 | 1,676 | 1,714 | 8.2 | 2.3 |
| Louisiana | 2,437 | 2,893 | 2,935 | 18.7 | 1.5 |
| Maine | 409 | 452 | 495 | 10.5 | 9.4 |
| Maryland | 3,668 | 3,920 | 4,439 | 6.9 | 13.2 |
| Massachusetts | 5,523 | 5,511 | 5,742 | -.2 | 4.2 |
| Michigan | 7,361 | 7,480 | 7,446 | 1.6 | -.5 |
| Minnesota | 2,434 | 2,621 | 2,960 | 7.7 | 12.9 |
| Mississippi | 564 | 716 | 776 | 26.9 | 8.3 |
| Missouri | 3,170 | 3,226 | 3,387 | 1.8 | 5.0 |
| Montana | 169 | 189 | 191 | 11.6 | 1.3 |
| Nebraska | 650 | 708 | 766 | 8.9 | 8.2 |
| Nevada | 394 | 657 | 996 | 66.5 | 51.7 |
| New Hampshire | 433 | 552 | 686 | 27.5 | 24.2 |
| New Jersey | 7,171 | 7,365 | 7,730 | 2.7 | 5.0 |
| New Mexico | 386 | 517 | 616 | 34.0 | 19.3 |
| New York | 16,647 | 15,869 | 16,244 | -4.7 | 2.4 |
| North Carolina | 2,755 | 3,203 | 3,758 | 16.3 | 17.3 |
| North Dakota | 196 | 234 | 257 | 19.7 | 9.8 |
| Ohio | 8,563 | 8,521 | 8,567 | -.5 | .6 |
| Oklahoma | 1,432 | 1,724 | 1,870 | 20.4 | 8.5 |
| Oregon | 1,415 | 1,763 | 1,947 | 24.6 | 10.4 |
| Pennsylvania | 10,102 | 10,038 | 10,077 | -.6 | .4 |
| Rhode Island | 855 | 866 | 916 | 1.2 | 5.8 |
| South Carolina | 1,504 | 1,866 | 2,113 | 24.1 | 13.2 |
| South Dakota | 95 | 109 | 124 | 14.9 | 13.1 |
| Tennessee | 2,564 | 2,974 | 3,222 | 16.0 | 8.4 |
| Texas | 8,717 | 11,304 | 13,867 | 29.7 | 22.7 |
| Utah | 822 | 1,128 | 1,336 | 37.3 | 18.4 |
| Vermont | 103 | 120 | 137 | 17.0 | 14.1 |
| Virginia | 3,279 | 3,745 | 4,483 | 14.2 | 19.7 |
| Washington | 2,752 | 3,322 | 3,976 | 20.7 | 19.7 |
| West Virginia | 683 | 718 | 653 | 5.2 | -9.1 |
| Wisconsin | 3,019 | 3,145 | 3,298 | 4.2 | 4.9 |
| Wyoming | 51 | 72 | 61 | 40.2 | -14.8 |

Source: 1990 Census of Population.

### Appendix table 6—Nonmetro population by State

| State | Population | | | Population change | |
|---|---|---|---|---|---|
| | 1970 | 1980 | 1990 | 1970-80 | 1980-90 |
| | *Thousands* | | | *Percent* | |
| Alabama | 1,275 | 1,432 | 1,449 | 12.3 | 1.2 |
| Alaska | 176 | 227 | 324 | 29.1 | 42.3 |
| Arizona | 453 | 676 | 876 | 49.4 | 29.6 |
| Arkansas | 1,193 | 1,401 | 1,408 | 17.5 | 0.5 |
| California | 835 | 1,113 | 1,445 | 33.4 | 29.8 |
| Colorado | 438 | 563 | 608 | 28.6 | 8.0 |
| Connecticut | 229 | 249 | 277 | 9.0 | 11.1 |
| Delaware | 162 | 196 | 224 | 20.9 | 14.3 |
| District of Columbia[1] | 0 | 0 | 0 | 0 | 0 |
| Florida | 616 | 948 | 1,336 | 53.9 | 40.9 |
| Georgia | 1,781 | 2,060 | 2,266 | 15.7 | 10.0 |
| Hawaii | 139 | 202 | 272 | 45.0 | 34.6 |
| Idaho | 601 | 771 | 801 | 28.3 | 3.9 |
| Illinois | 1,986 | 2,088 | 1,981 | 5.2 | -5.1 |
| Indiana | 1,644 | 1,771 | 1,748 | 7.7 | -1.3 |
| Iowa | 1,671 | 1,691 | 1,554 | 1.2 | -8.1 |
| Kansas | 1,167 | 1,211 | 1,176 | 3.7 | -2.9 |
| Kentucky | 1,671 | 1,984 | 1,971 | 18.7 | -0.6 |
| Louisiana | 1,206 | 1,313 | 1,285 | 8.9 | -2.2 |
| Maine | 585 | 673 | 733 | 15.1 | 9.0 |
| Maryland | 255 | 297 | 343 | 16.3 | 15.3 |
| Massachusetts | 166 | 226 | 274 | 36.5 | 21.3 |
| Michigan | 1,521 | 1,782 | 1,850 | 17.1 | 3.8 |
| Minnesota | 1,373 | 1,455 | 1,415 | 6.0 | -2.8 |
| Mississippi | 1,653 | 1,805 | 1,798 | 9.2 | -0.4 |
| Missouri | 1,508 | 1,690 | 1,730 | 12.1 | 2.3 |
| Montana | 525 | 598 | 608 | 13.9 | 1.7 |
| Nebraska | 835 | 862 | 812 | 3.2 | -5.7 |
| Nevada | 94 | 144 | 206 | 52.4 | 43.1 |
| New Hampshire | 304 | 368 | 423 | 21.0 | 14.9 |
| New Jersey[1] | 0 | 0 | 0 | 0 | 0 |
| New Mexico | 632 | 787 | 899 | 24.6 | 14.3 |
| New York | 1,594 | 1,689 | 1,747 | 6.0 | 3.4 |
| North Carolina | 2,330 | 2,677 | 2,871 | 14.9 | 7.3 |
| North Dakota | 422 | 418 | 381 | -0.9 | -8.8 |
| Ohio | 2,092 | 2,277 | 2,280 | 8.8 | 0.1 |
| Oklahoma | 1,127 | 1,301 | 1,276 | 15.5 | -2.0 |
| Oregon | 676 | 870 | 895 | 28.7 | 2.9 |
| Pennsylvania | 1,698 | 1,826 | 1,805 | 7.5 | -1.2 |
| Rhode Island | 94 | 81 | 87 | -13.6 | 7.1 |
| South Carolina | 1,087 | 1,254 | 1,374 | 15.4 | 9.5 |
| South Dakota | 571 | 581 | 572 | 1.8 | -1.6 |
| Tennessee | 1,362 | 1,617 | 1,655 | 18.8 | 2.3 |
| Texas | 2,483 | 2,921 | 3,119 | 17.7 | 6.8 |
| Utah | 238 | 333 | 387 | 40.0 | 16.3 |
| Vermont | 342 | 391 | 426 | 14.4 | 8.8 |
| Virginia | 1,373 | 1,601 | 1,704 | 16.7 | 6.4 |
| Washington | 662 | 810 | 891 | 22.5 | 10.0 |
| West Virginia | 1,061 | 1,232 | 1,140 | 16.0 | -7.4 |
| Wisconsin | 1,399 | 1,561 | 1,593 | 11.6 | 2.1 |
| Wyoming | 281 | 398 | 392 | 41.5 | -1.3 |

[1] The District of Columbia and New Jersey have no nonmetro counties.

Source: 1990 Census of Population.

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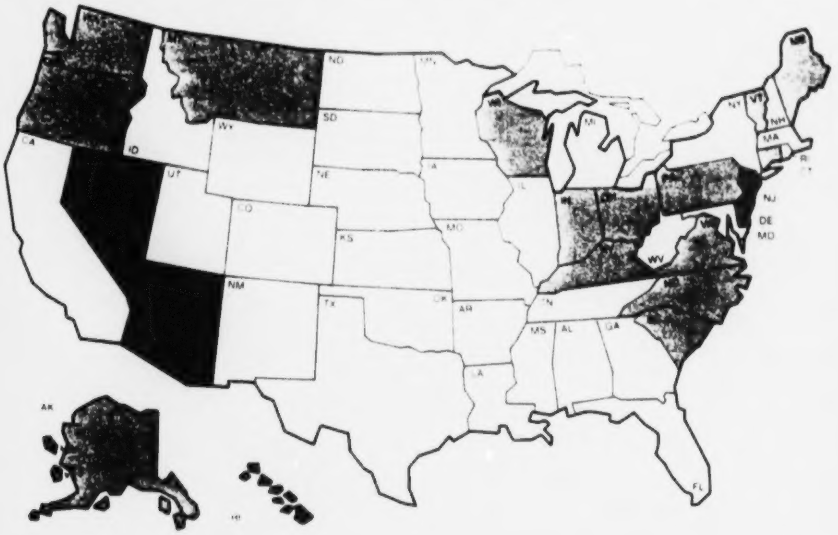
- Rural S&L's very weak

## Rural S&L return on assets

**Rural S&L's in 30 States reported average losses in 1989**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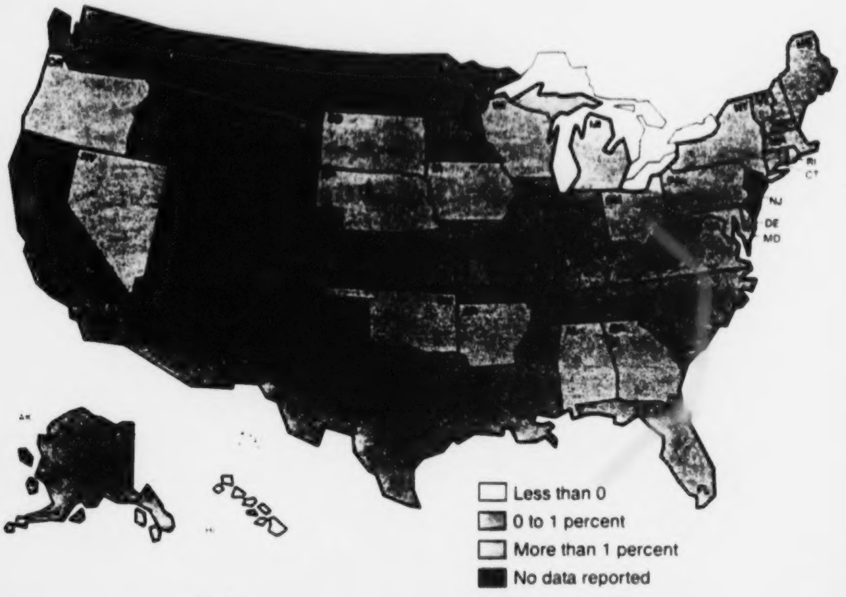
## Rural bank return on assets

**While only Hawaii reported average losses for rural banks**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CT
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☐ Less than 0
▨ 0 to 1 percent
☐ More than 1 percent
■ No data reported

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# Rural Financial Institutions Face Tough Times in the 1990's

*Credit for rural borrowers will probably tighten as banks, savings and loans, and credit unions react to current economic woes and regulatory difficulties. Although most rural financial institutions are healthy, rural thrifts will shrink in number and size as new restrictions on capital take effect.*

This report examines the financial performance and structure of major financial depository institutions with operations in rural areas. The discussion is prospective as well as retrospective. Financial performance in 1989 is compared with the recent past as a way of keeping score of how well rural firms are doing. However, numerous developments in financial markets, regulatory policies, and the general economy in 1990 affected the performance of the financial services industry which will carry over to 1991 and beyond. This report assesses how these changes will affect the cost and availability of credit for rural borrowers.

The financial performance of rural banks, the dominant depository institution in rural areas, has continued to improve since the mid-1980's. Earnings have risen slightly while levels of nonperforming loans have declined, and most banks are well capitalized. Healthy bank balance sheets should keep most banks from having to greatly adjust their capital to the new risk-based capital standards. Sound financial conditions should benefit rural banks as they move into a turbulent period underscored by new regulatory challenges and recession, exacerbated by a downturn in the real estate sector, oil price shocks, and events leading up to the war in the Persian Gulf and its residual effects.

While a severe economic downturn would weaken capital positions of many rural banks, few would become insolvent. Rural banks, moreover, appear more insulated from the slump in the real estate market than their urban counterparts. We can expect tighter credit requirements as banks and thrifts respond to uncertainty surrounding the economy and public reaction to the problems in the banking and thrift industries.

Thrifts are in a much weaker position to adjust operations affected by tougher capital requirements, softer real estate markets, and the recession. Past financial problems arising from a mismatch between interest income and expense, financial deregulation, mismanagement, and the ailing deposit insurance system continue to haunt the thrift industry. And sales of assets of defunct thrifts now owned by the Federal Government have begun depressing real estate values in a saturated market.

Legislative reforms enacted to avert future financial industry catastrophes have resulted in a major restructuring of rural savings and loans (S&L's). Fewer S&L's will remain because of tough new risk-based capital standards, and those that do will be smaller and stronger financially than before. Banks and surviving thrifts should benefit from this shakeout as competition for funds declines. Thrifts attempting to meet the new standards have begun selling assets and tightening credit. Rising deposit insurance premiums are unlikely either to bring any significant increase in interest rates charged for loans (especially considering recent Fed cuts in its discount rate) or to depress rates paid on deposits.

Rural credit union earnings and capital levels were comparatively healthy in 1989. Even so, their performance is unlikely to significantly affect rural credit given their relatively small share of depository institution lending and specialization in personal loans.

Overall, rural credit will probably be tighter in the immediate future as financial institutions react to these problems. Credit will still be available to qualified borrowers, but lenders will more closely scrutinize their creditworthiness, and riskier ventures will have less chance of being funded. Some slight increases in lending rates might occur, but monetary policy response to weakness in the economy should help dampen that effect.

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# A Multitude of Financial Institutions Serve Rural Credit Needs

*Rural credit needs are fulfilled in a variety of ways. Depository institutions dominate private lending sources, and Government agencies, such as the Farmers Home Administration, provide credit for farm and nonfarm activities.*

Diverse financial institutions operate in rural areas (fig. 1). Many entities specialize in areas such as personal loans for credit unions, secondary markets for government-sponsored enterprises (GSE's), or real estate lending for S&L's.

Familiar participants in rural credit markets are depository institutions such as banks, savings and loans, and credit unions. Commercial banks are the major players among depository firms, followed by savings and loans (fig. 2).

Other organizations also provide credit to rural markets. Included are Federal Government institutions such as the Farmers Home Administration (FmHA), Small Business Administration (SBA), Department of Housing and Urban Development (HUD), Environmental Protection Agency (EPA), and Veterans Administration (VA). While FmHA is perhaps better known for its role as a lender of last resort for farmers, half of the nearly $160 billion in credit provided by FmHA over its lifetime has gone for rural nonfarm programs. In 1989, grants and loans made for rural areas totaled $5.1 billion. The largest portions of these programs were directed to housing, water supply, and waste water disposal projects.

Agriculture is a major industry in many rural areas, and one of the primary lenders for farmers has been the Farm Credit System (FCS). FCS affiliates are heavily concentrated in rural areas and make loans to farmers and farm cooperatives through a system of 16 banks and 283 associations. Loan volume increased 3.8 percent from the previous year to $33 billion in 1989.

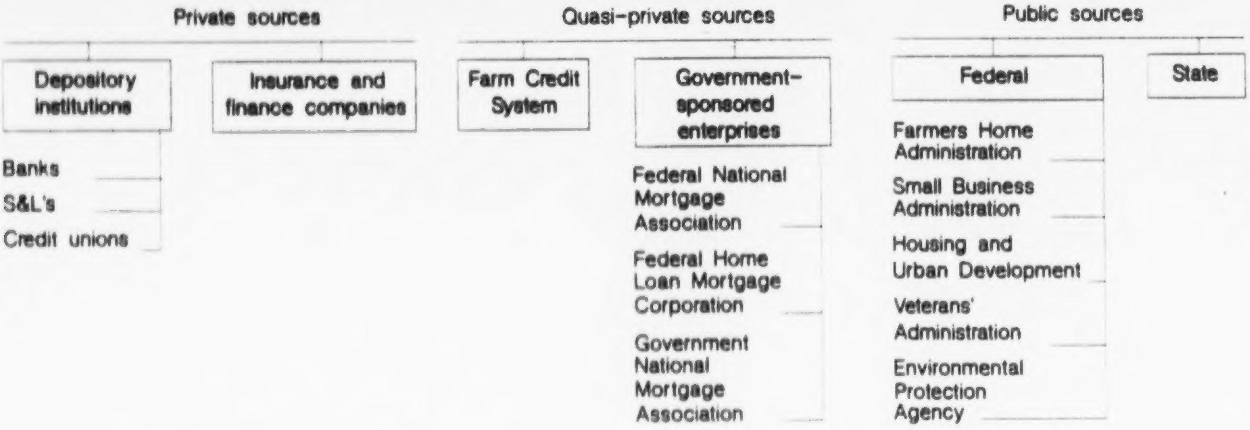
Other institutions active in rural lending include GSE's such as the Federal National Mortgage Association ("Fannie Mae"), the Federal Home Loan Mortgage Corporation ("Freddie Mac"), and the Government National Mortgage Association ("Ginnie Mae"). These firms operate in secondary markets for residential mortgages and their presence generally makes mortgage funds more available and at lower cost.

Insurance companies also have a substantial presence in residential, commercial, and agricultural mortgage lending. Their total mortgage loans outstanding reached $225.6 billion by June 1990, of which $9.1 billion was in agricultural loans. In 1989, insurance companies extended $29.5 billion in mortgage loans, down almost 3 percent from their 1988 levels. Personal finance companies offer another source of credit, although they target higher risk segments of the consumer loan market.

Figure 1

**Major financial institutions serving rural credit markets**

**A diverse array of institutions provides credit to meet rural financial needs**

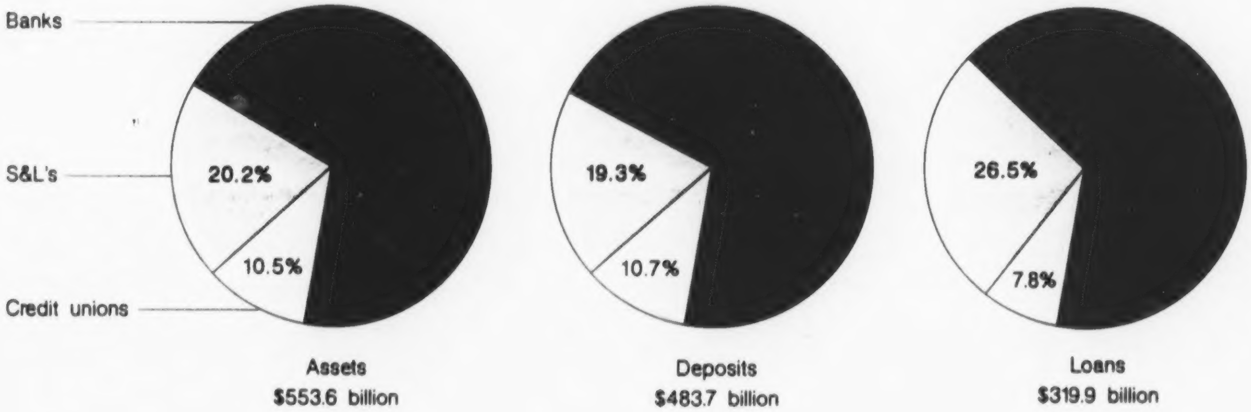


Private sources
Depository institutions
Insurance and finance companies
Banks
S&L's
Credit unions
Quasi-private sources
Farm Credit System
Government-sponsored enterprises
Federal National Mortgage Association
Federal Home Loan Mortgage Corporation
Government National Mortgage Association
Public sources
Federal
State
Farmers Home Administration
Small Business Administration
Housing and Urban Development
Veterans' Administration
Environmental Protection Agency

Figure 2

**Depository institution shares of rural assets, deposits, and loans, 1989**

**Commercial banks dominate rural financial markets**



**What Is a Rural Financial Institution?**

There is no consensus regarding the definition of a nonmetro or rural financial institution (for this report, the terms "nonmetro" and "rural" are synonymous). The definition used herein is based upon the location of the firm's headquarters. If in a nonmetro county, we call it a nonmetro firm. One obvious problem with this definition is that nonmetro banks may make loans and take deposits in metro areas and vice versa. Despite this leakage in credit inflows and outflows, the definition nonetheless meets the needs of this report.

# The Structure of the Banking and Thrift Industry in Rural Areas

*Among depository institutions, commercial banks dominate in terms of total assets, loans, and deposits. Rural thrifts place second, followed by credit unions.*

Rural banks are much more numerous but much smaller than rural thrifts (fig. 3 and app. tables 1 and 2). Banks outnumber rural S&L's about 8 to 1. Rural-based credit unions are also numerous, but they represent a small portion of total depository institution deposits (app. table 3).

On average, rural thrifts are more than double the size of banks, and 10 times the size of credit unions. About 88 percent of all rural banks are smaller than $100 million in assets, with almost two-fifths having less than $25 million. About three-fourths of all rural S&L's have less than $100 million in assets.

The numbers of both banks and thrifts have been declining in recent years (fig. 3). The percentage decline for banks has been smaller in the last 3 years than for thrifts, reflecting turmoil in the S&L industry. The Comptroller of the Currency expects the number of banks to drop by 20 percent over the next 5 years. Many small, profitable rural banks could become attractive targets for mergers or acquisitions by other firms. The number of rural thrifts will decline even further as the Federal Government acts to close insolvent operating firms and thrifts fail to meet the stricter regulatory standards on capital. The rural thrift industry could shrink an additional 20-25 percent over the next few years.

The growth of bank holding companies in rural banking markets has been an important phenomenon in recent years. About 25 percent of all rural banks are linked to other banks via common holding company ownership, up from 20 percent in 1985. Bank holding companies have allowed banks to offer services that cannot otherwise be offered as well as to circumvent branching restrictions in certain States.

Banks with above-average lending to agriculture account for more than 54 percent of all rural banks, and 29.3 percent of rural banks are in agriculturally dependent counties. So, factors influenced by agriculture would tend to show up on the balance sheets of many rural banks. These figures support the general perception that many rural communities are served by small banks specializing in agricultural lending. Rural S&L's and credit unions, however, are not active in agricultural lending. Less than 1 percent of all rural credit union loans are classified as agricultural.

The presence of urban-based institutions in nonmetro areas has become an issue in recent years with continuing geographic deregulation of the financial services industry. Although the effect of urban firms entering rural credit markets is uncertain, both urban-based thrifts and banks maintain a noticeable but not necessarily overwhelming presence in rural areas (table 1). An alternative view toward urban-based influence in rural credit markets is that these firms supply credit where a deficiency might otherwise exist.

As the thrift industry restructures in the wake of new regulatory reforms and the economy continues to be caught in a recession, the effects these events may have on the presence of urban firms in rural areas are unclear. An increasing urban presence might come about if unhealthy rural banks and S&L's combine with urban-based banks and S&L's or if problems in urban real estate markets make rural areas appear relatively more attractive for banks and thrifts seeking more profitable markets. For 1991 and beyond, such consolidation may be slow for healthy banks and thrifts because of asset quality problems and low stock prices that would dilute earnings per share.

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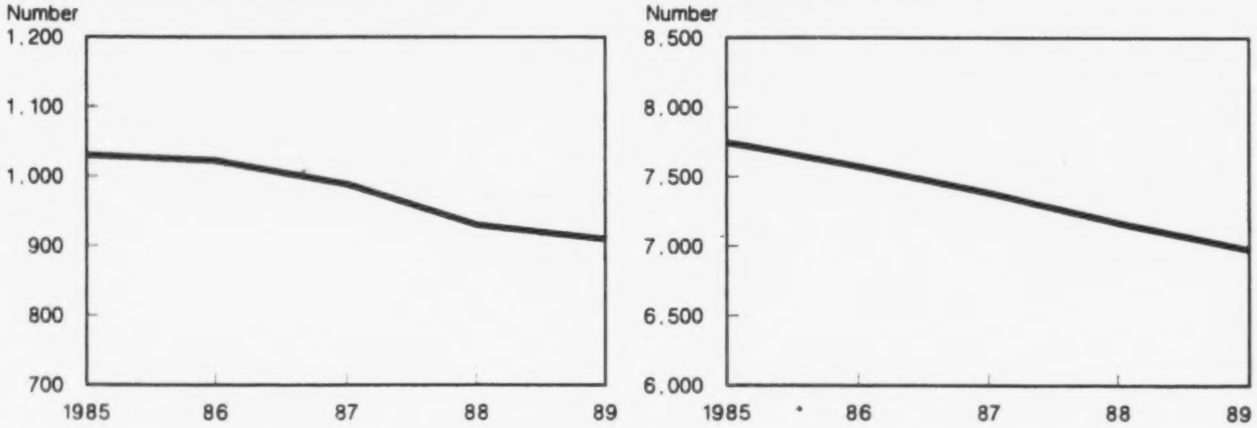
Figure 3

**Fewer thrifts and banks**



**Thrifts are down by 12 percent since 1985**

**Banks dropped by 10 percent**

**Table 1—Urban-based firm presence in rural areas**

Only 6 percent of all banks with rural offices are urban-based, compared with 14 percent of all S&L's with rural offices

| Item | All firms | Rural offices | Total deposits | Firm proportion of rural to total deposits |
|---|---|---|---|---|
| | Number | | Billion dollars | Percent |
| S&L's: | | | | |
| Rural-based | 982 | 2,167 | 95.4 | 98.4 |
| Urban-based, one or more rural offices | 163 | 697 | 72.4 | 23.0 |
| Total S&L's, one or more rural offices | 1,145 | 2,864 | 167.9 | 86.2 |
| All S&L's | 3,097 | 25,839[1] | 949.8 | 15.2 |
| Banks: | | | | |
| Rural-based | 7,387 | 14,336 | 342.3 | 95.2 |
| Urban-based, one or more rural offices | 462 | 3,952 | 709.8 | 12.0 |
| Total banks, one or more rural offices | 7,849 | 18,288 | 1,052.1 | 39.1 |
| All banks | 13,749 | 56,728[2] | 2,190.4 | 18.8 |

[1] All offices within S&L industry.

[2] All offices within bank industry.

Source: Office of Thrift Supervision and FDIC Summary of Deposits, 1988.

# Rural Banks Healthier, But May Slip in 1991

*Rural commercial banks performed well in 1989 as earnings and capital levels improved. Despite these gains, banks tightened credit requirements in response to regulatory uncertainties, conflict in the Persian Gulf, and economic weaknesses exacerbated by real estate problems.*

Rural bank performance continues to improve. Earnings in 1989 were up slightly from 1988, capital levels were adequate, and levels of nonperforming loans and provisions (set-aside reserves) for expected loan losses declined. A tougher economic and regulatory environment will not help bank performance and more likely will lead to tighter credit conditions in the near term.

### Bank Earnings Up From Last Year

Rural bank earnings have steadily risen since 1986. The annual growth rate for return on equity between 1985 and 1989 was 5.9 percent (fig. 4). From 1988 to 1989, that rate had increased more than 8 percent.

Small banks continue to lag their larger counterparts in return on assets partly because larger firms rely more on less costly nondeposit sources of loanable funds. Between 1985 and 1989, return on assets for rural banks rose at an average annual rate of 6.2 percent (fig. 4). Two factors have helped spur higher returns, a slightly improved net interest margin and a decline in loan losses (figs. 5 and 6).

Between 1986 and 1989, rural banks' percentage of problem loans (loans past due 90 days or more and nonaccruing loans) dropped nearly 14 percent each year. Bank provisions for loan losses offer information on anticipated loan losses. Rural banks in the South and Northeast exhibited the largest proportion of nonperforming loans, reflecting deteriorating real estate values in those areas (app. table 1). These problems are not specific to rural areas. *Banking Week* reported that New England banks experienced the largest increases in loan delinquencies among all U.S. banks.

Net interest margin has dipped only slightly from its 1985 level of 3.90 percent. Despite flat and inverted yield curves (when short-term rates were equal to or greater than long-term rates) during 1988 and 1989, the net interest margin for banks increased from 3.80 percent in 1988 to 3.86 percent by 1989. These changes reflect rural banks' abilities to manage the composition of their assets and liabilities and their rates of return under adverse interest rate conditions.

The recession, worsening of real estate values, stricter capital standards, and higher deposit premiums are some of the factors that could further lower earnings in 1991 and beyond. Lower agricultural subsidies established by the Food, Agriculture, Conservation, and Trade Act of 1990 could also be a downside contributor.

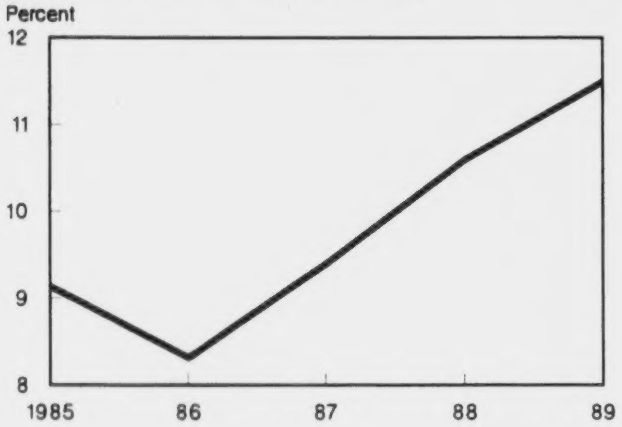
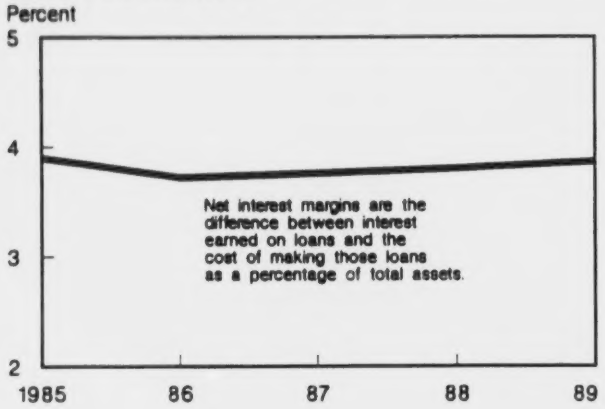


Figure 4

**Healthy indicators for rural banks**

**Return on equity rebounds after 1986,**

**as does return on assets**



Net interest margins are the difference between interest earned on loans and the cost of making those loans as a percentage of total assets.

Figure 5

**Stable net interest margins**

**Net interest margins varied less than 0.2 percentage point in the late 1980's**

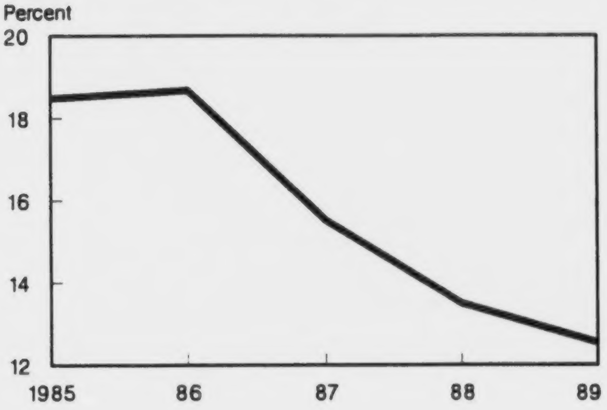


Figure 6

**Fewer problem loans**

**Problem loans/total capital ratio has plummeted since 1986**

**Measures of Profitability**

Return on assets is the ratio of net income (profits) to total assets. Its companion measure, return on equity, is the ratio of net income to capital. Return on assets is useful to compare how large profits are in relation to the size of the firm. Return on equity captures how profits relate to the capital base of the firm. Firm growth and capitalization can differ. Thus, one must examine how profits relate to both factors to have a more complete picture of bank earnings. Net interest margin is defined as the ratio of net interest income to total assets and provides a measure of how well a bank is able to manage its asset returns in relation to the cost of funds.

# Loan Growth Up Slightly, But Tighter Credit Ahead

*Rural banks increased their lending at a slightly faster rate than their assets grew during 1988-89, but began to cut back on lending in 1990 as the U.S. economy wavered. Over this period, the numbers of problem loans and banks in trouble declined.*

In 1989, average rural bank assets increased at a real rate of 2.4 percent. For the same period, loans grew 2.8 percent (fig. 7). The loan/asset ratio, an indicator of bank lending and liquidity, increased from 54.1 percent in 1988 to 54.8 percent in 1989. These figures show that rural banks maintained a high level of liquidity, as they were increasing their lending activities. By 1990, banks began curtailing lending because of increased uncertainty over the economy, new risk-based capital standards, and problems in their real estate lending business.

The significance of the real estate market for rural banks can be seen from the composition of bank lending portfolios (fig. 8). Almost half of all lending is for real estate. The slump in residential and commercial real estate markets that was once confined to the Southwest has spread across the country and is expected to hurt many commercial banks as default rates climb. The problems are more severe for urban commercial real estate, where vacancy rates for office space in downtown areas reached 16.7 percent across the Nation in 1989. But rural banks have increasingly focused their real estate activities on housing loans. Between 1985 and 1989, the share of loans for housing increased from 20.8 percent to 26.2 percent. Thus, rural banks should be somewhat insulated against the more serious downturn in commercial real estate.

Sharp drops in residential property values may be less severe for rural banks than for their urban counterparts because rural real estate values tend to be more stable. Speculation that fueled strong runups in prices in several urban real estate markets did not carry over as much to rural areas. Another sign of market stability was that provisions for loan losses, an indicator of future losses, fell 6.84 percent from 1988 to 1989. Moreover, the percentage of problem loans to total capital dropped from 13.50 percent in 1988 to 12.54 percent by 1989. Strong agricultural land values further bolstered rural bank portfolios compared with urban banks.

Coinciding with the decline in problem loans is a decrease in the number of problem banks, those firms whose problem loans exceed their capital levels. Their number peaked in 1985 when they accounted for 4.7 percent of all rural banks (fig. 9). That number dropped sharply in 1987, followed by smaller declines in 1988 and 1989. Overall, troubles in real estate markets will probably not hurt rural banks as much as banks with most of their business concentrated in urban areas.

Figure 7

## Steady bank lending

**Improved bank profits did not lead to greatly increased lending activity**

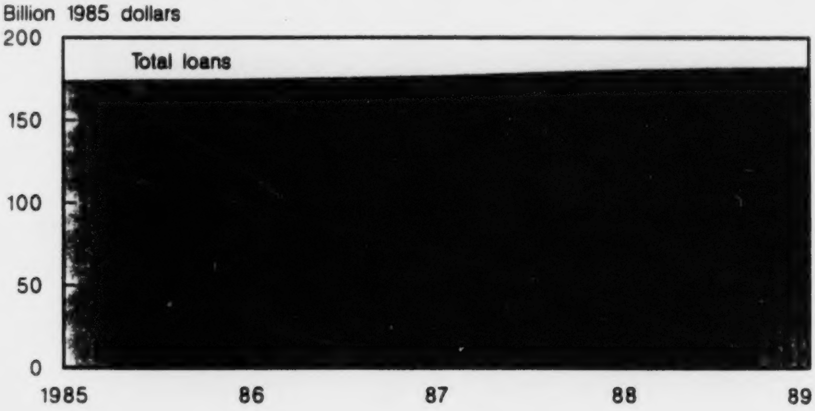


Figure 8

## Rural bank loans

**Diverse loan portfolio lessens rural banks' risks**

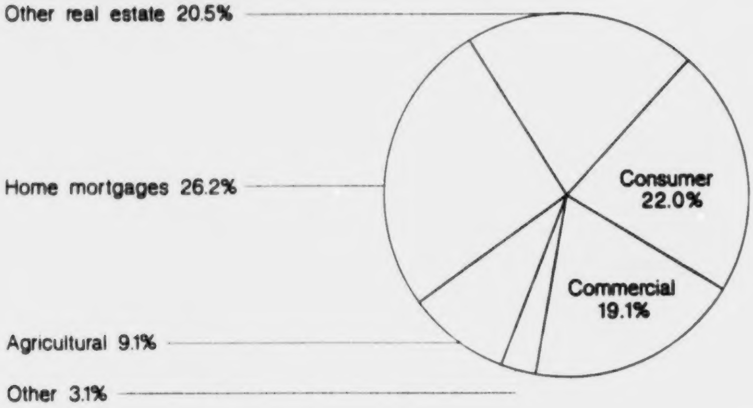
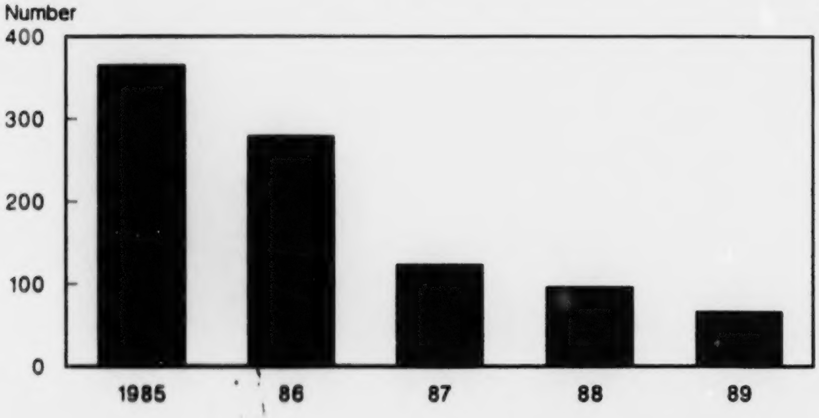


Figure 9

## Problem rural banks

**Dramatic annual drops reflect healthier industry**



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# Rural Banks Well Capitalized, But Could Weaken Under Recession

*New Federal banking rules will eventually strengthen the capital reserves of all banks. But, banks with large commercial loans could face problems during the slowdown.*

A vital indicator of financial performance that influences return on equity is a firm's capital base. Bank capital ratios have continued to improve over time (fig. 10). The vast majority of rural banks are well capitalized, maintaining primary capital levels above the regulated 5.5-percent level. Between 1988 and 1989, the number of undercapitalized rural banks (banks with capital/asset ratios of less than 6 percent) declined 17.5 percent to 188. The number of failed rural banks has declined steadily since the peak in 1987 (fig. 11).

Under the legislation reforming the financial services industry, bank capital is affected by new capital standards. Primarily affecting banks is a capital standard based on the riskiness of their assets. One effect of the risk-based capital standards is on the pricing of bank products and services. Because the new capital standards differentiate assets on the basis of risk, products that once required the same amount of capital to back up those assets now will require different amounts of capital backing. Holdings of cash and Treasury securities now require less capital than similar portfolio holdings of commercial or consumer loans, for example. Thus, to obtain the same return on equity, a bank may have to put a higher price on the riskier asset. In 1989, cash and Treasury securities accounted for 26.9 percent of all nonmetro bank assets, down from 27.5 percent in 1988. Nonetheless, because of the strong capital position of nonmetro banks, the new capital standards will probably not pose a serious regulatory burden.

The new risk-based capital standards offer an incentive for banks to increase their market share of State and local securities that declined dramatically after the enactment of the Tax Reform Act of 1986, which eliminated tax incentives for banks holding these securities.

At the end of 1985, for instance, commercial banks held 35 percent of the outstanding $658.4 billion in State and local debt. By the second quarter of 1988, the bank share had declined to 22 percent of $737.8 billion. Rural bank holdings of State and local securities also dropped an average 11.3 percent between 1985 and 1989. By 1989, those holdings accounted for 5.3 percent of total assets. As the new capital standards become fully implemented, assets such as local obligations will receive a risk weight no greater than that for mortgage loans. Moreover, rural governments already have some advantage in issuing securities due to a small-issuer exemption in the 1986 Act.

Rural bond issuers could further be helped by an emerging sentiment among some analysts that financial institutions might improve their performance by developing market niches such as in rural areas which may not have become as saturated as other markets. As a result, in 1991, bank portfolios of State and local securities might increase slightly.

Rural banks are poised to weather the recession, at least in the short run, although their capital base will probably be diminished. And, bank exposure to commercial lending could cause problems if delinquencies rise as a result of poor business performance. Overhead costs under this scenario could rise as well due to increased monitoring expenses.

Compounding the problem for rural banks with large agricultural portfolios is a scheduled $13 billion cut in agricultural subsidies to be spread over 5 years. Farmers derive 20 percent of their net cash income from such payments. Such events could increase loan default rates, causing banks to draw down profits to bolster loan loss provisions.

To anticipate the effects of a severe downturn in the economy on rural banks, we computed capital ratios for each firm assuming full losses on nonperforming loans that rose to the peak levels of the 1980's for all banks, 7 percent in June 1986. The number of firms technically insolvent (reporting negative capital) and capital deficient (having a capital/asset ratio of 0-3 percent) under the deep recession scenario were compared with current capital ratios. Results indicated that the number of insolvent firms declined from 52 to 39 under the deep recession scenario because nonperforming loans already accounted for more than 7 percent of a few firms' outstanding loans. However, the number of capital-deficient firms rose dramatically from 142 to 630. From a worst-case perspective, the number of weak rural banks would increase more than four times current levels, but such a scenario would not lead to widespread insolvency.

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Figure 10

### Improved capital/asset ratios

**Higher capital reserves in relation to total assets reflect healthier industry**

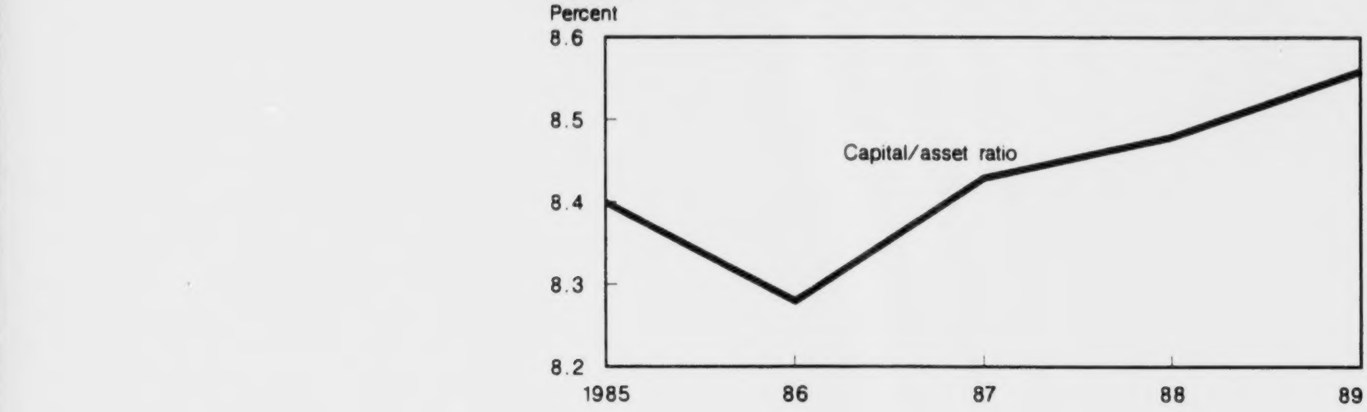
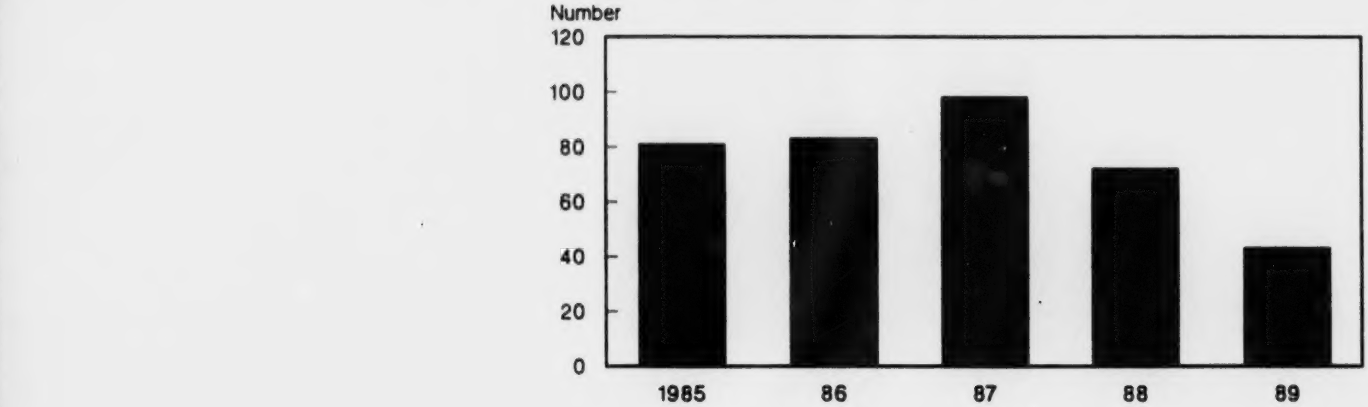


Figure 11

### Falling banks

**Rural bank failure numbers continue falling**



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# Rural Thrift Performance Poor and Will Probably Worsen

*The outlook for rural thrifts is grim as losses continue to mount and capital reserves hover well below regulated amounts. The industry will continue to consolidate significantly as insolvent firms go out of business or are sold and as marginal firms seek acquisition by healthier banks or S&L's.*

A combination of factors beginning in the late 1980's that contributed to the severest financial crisis since the Great Depression continues to plague rural thrift financial health. Earnings remain negative, reflecting both continued losses on assets as well as mismatched interest income and expense (fig. 12). Thrifts are also having trouble generating much nonoperating income by way of asset sales on repossessed properties because of the glut of such assets in the market. Many thrifts are having a difficult time restructuring to comply with the new capital standards even though many have chosen to shrink their asset base to raise their capital/asset ratios.

Increased operating expenses from higher deposit premiums do not help matters nor do new requirements that thrifts allocate a larger share of their portfolios to home mortgage lending. The recession deepens thrift problems and will drive more S&L's from the industry. In time, the shakeout will lead to a more stable, albeit smaller, thrift presence in rural markets.

### Thrift Earnings Remained Dismal in 1989

Since 1986, thrifts' returns on assets have been negative, reflecting two of the leading factors contributing to the crisis in the thrift industry, a narrowing of the difference between interest income and expenses and bad loans. A primary source of income for S&L's has been long-term, fixed-rate mortgages, and short-term deposits are the main source of funds. When interest rates on deposits rose rapidly in the early 1980's, thrifts experienced an erosion of net income. Net operating income has fallen steadily as a result of lower net interest margin and a requirement that thrifts amortize fee income rather than realize it on a cash basis. Net interest margin has declined steadily since 1985, dropping almost 23 percent in 1989 from the previous year, reflecting abnormal yield curves during 1988-89 (fig. 13).

Loan loss provisions account for most nonoperating expenses, but, as a percentage of loans, those provisions have surprisingly declined for rural thrifts over the last 3 years. Rural thrift losses on assets as a proportion of total assets have also declined from their 5-year high of 4.52 percent in 1988 to 3.76 percent in 1989. Thus, while net interest margin is still positive, it is so low that operating expenses, loan loss provisions, and asset losses turn earnings negative.

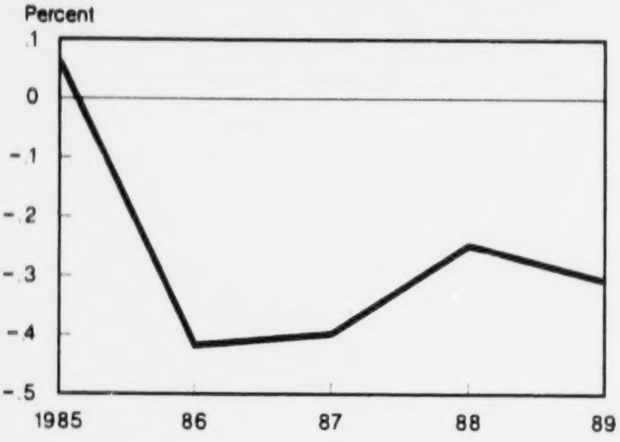
The earnings performance of rural thrifts seems to vary by region. Only the Northeast reported a positive return on assets in 1989 (app. table 2). That region also reported the lowest level of provisions for loan losses. The net interest margin for Northeast thrifts was 0.45, twice as large as the average net interest margin for rural S&L's in other regions of the country. These results are somewhat disturbing because of the downturn in real estate in the Northeast. Thrifts are more vulnerable to conditions in real estate markets than are commercial banks. But, thrifts' exposure to residential real estate is much higher than to the commercial real estate market (fig. 14). Thus, rural thrift profits would be mainly affected by the less severe problems in the housing market.

Conditions in the Northeast will probably improve little in the near future, at least partly because of the region's weak general economy. Thus, rural thrift earnings in those States will probably fall as default rates rise. Thrifts in the West, by contrast, already manifest the troubles that have dogged that region in recent years. The West has the worst performance among the four regions. One potential bright spot for western firms is that some State economies, such as Colorado's, are starting to recover. As a result, firms in those areas over the next year may improve somewhat.

Thrifts are in poor shape to weather any significant weakening of the general economy. The poor image of the industry inhibits thrift growth. A little more than half of all rural thrifts sell stock, and the industry condition has hurt their firms' value. Requiring thrifts to invest at least 70 percent of their portfolios in qualified mortgage assets should not result in much reallocation activity of thrift portfolios, but it may constrain thrifts from pursuing opportunities for improving earnings.

Figure 12

## Poor S&L earnings



**Negative return on assets reflects industry losses**

**As does negative return on equity**

Figure 13

## Deteriorated net interest margins

**Falling net interest margin partly responsible for low profits**

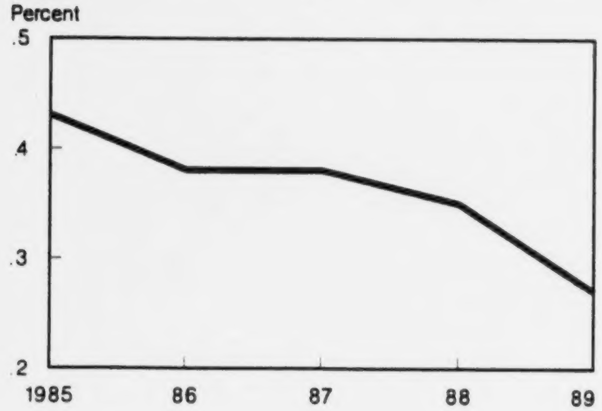
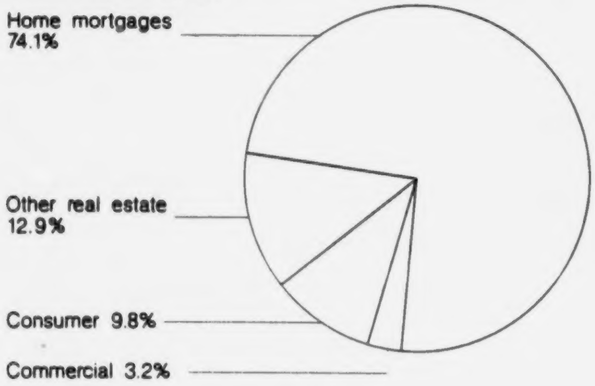


Figure 14

## S&L loan portfolio

**Real estate accounts for more than 85 percent of S&L's loan portfolio**



# Thrifts Will Lend Less as They Scramble To Meet Higher Capital Standards

*New Federal regulations requiring increased capital reserves are especially troublesome for the already cash-poor savings and loan industry. Many rural S&L's will probably not be able to meet the mandated 8-percent risk-based capital standard in 1992.*

During 1985-89, the thrift industry's asset base declined at an annual average rate of 2.6 percent. Many thrifts that are technically insolvent continue to operate despite regulator efforts to close them. Those thrifts and many other marginally capitalized firms sought to expand operations as a way to grow out of their problems. As they did, they often invested in riskier activities, hoping to recoup their previous losses. For many firms, this behavior actually worsened the problem as real estate markets fell and risky ventures failed.

Lending dropped 4.9 percent per year, even faster than assets during 1985-89 (fig. 15). New capital standards for thrifts will probably further curtail S&L growth as firms maneuver to comply with the new laws.

### Thrift Undercapitalization Makes Compliance With New Standards Difficult

Rural thrifts are generally undercapitalized (fig. 16). In 1988, 68 S&L's failed, compared with 40 in 1989. The rural thrift industry shrank more than 10 percent over those 2 years. The number of problem thrifts also declined from 146 in 1988 to 98 in 1989 (fig. 17). More than 13 percent of all rural thrifts are technically insolvent but remain in operation. Because those firms have little hope for staying in business, the number of firms will shrink even further. The speed with which the Resolution Trust Corporation (the Government agency created to dispose of the assets of failed S&L's) acts to close these firms will dictate how drastically the industry will contract. The loss of firms that were aggressively bidding up deposit rates should benefit remaining firms by eliminating the "premium" these firms paid for funds that competing solvent firms also had to pay.

Until recently, thrifts were able to inflate their true financial condition by including intangible assets such as goodwill and servicing rights in their calculations for capital. However, the new capital standards are stricter in defining capital, excluding consideration of intangible assets. Many thrifts appear unable to meet both the core capital standard of 3 percent and the more stringent risk-based standard of 8 percent by 1992. In particular, over 12 percent of solvent rural S&L's are unable to meet the 3-percent standard.

Few options remain for thrifts to comply with the new requirements. Two ways to raise capital for firms are to increase profits or to sell stock, but the weak financial condition of many of these firms constrains these options. Many thrifts have begun shrinking their asset base as a way to increase capital/asset ratios. One recent Office of Thrift Supervision report found that 69 percent of all capital-deficient thrifts shed assets in the third quarter of 1989, compared with 36 percent of capital-sufficient firms. One problem with this strategy is the potential dilution of asset quality as the most salable assets are those with the best balance of risk and return. Although this strategy effectively raises capital/asset ratios, some firms may commit more capital to higher risk assets that are not as easily sold.

Figure 15

### Thrift lending has fallen off since 1985

**Rural borrowers find credit tighter at S&L's**

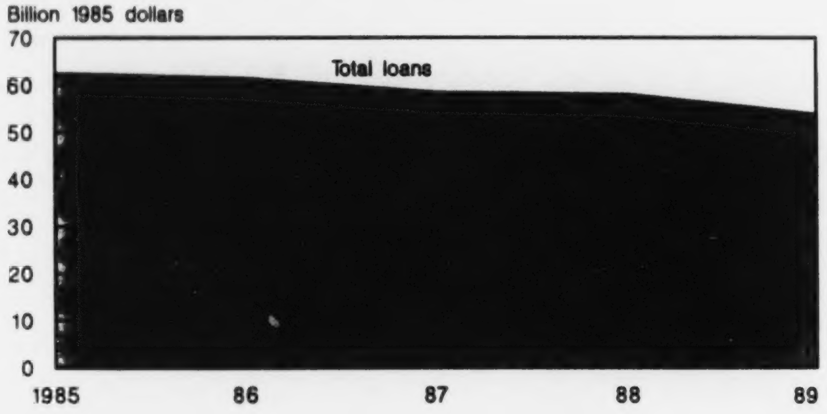


Figure 16

### Dangerously low rural thrift capitalization

**Industry improved slightly since 1987, but still weak**

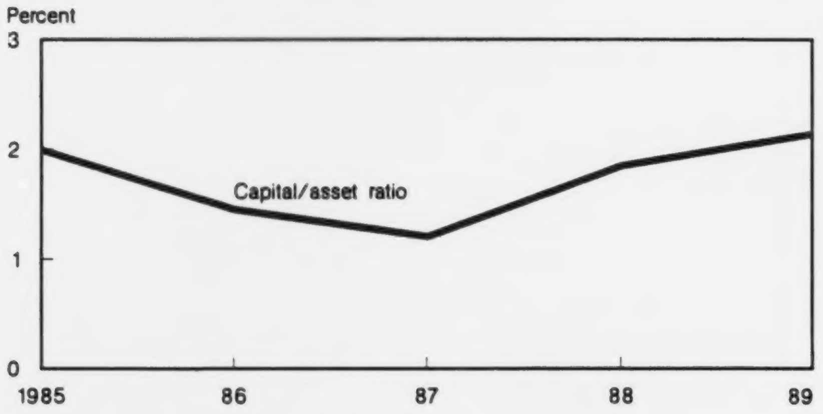
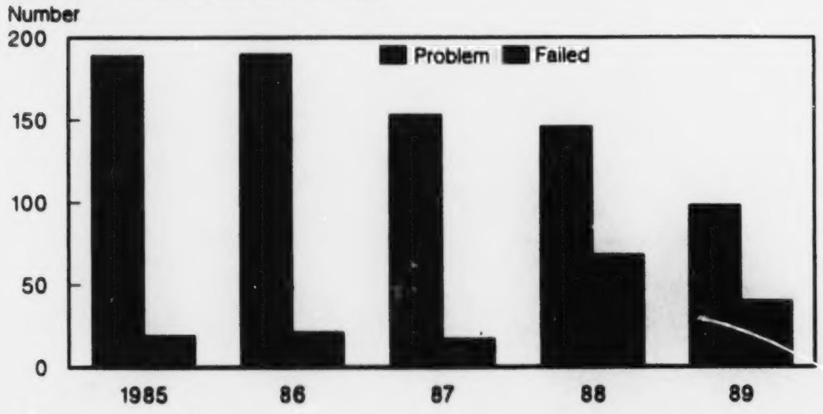


Figure 17

### Failed and problem rural thrifts

**The number of problem S&L's seems to have peaked in 1986, but the number that failed peaked in 1988**



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# Credit Unions on Sound Footing, But Could Be Buffeted by Economic Downturn

*Rural credit unions represent a small and specialized lending segment of rural credit markets. Conservative lending practices, good earnings, and sufficient capital levels should keep credit unions performing well for 1991.*

Credit unions have so far avoided the problems that have hung over the thrift industry and have now started to afflict the banking industry. These firms have typically emphasized lending to members for personal loans (fig. 18). They have not engaged in many of the risky activities that got S&L's into trouble in the 1980's. These steadier investments are reflected in fair earnings performance and high liquidity for credit unions (app. table 3).

Loan delinquencies were down about 8 percent in 1989. But, the number of problem rural credit unions for 1989 accounted for 4 percent of all such institutions, a higher percentage than for banks.

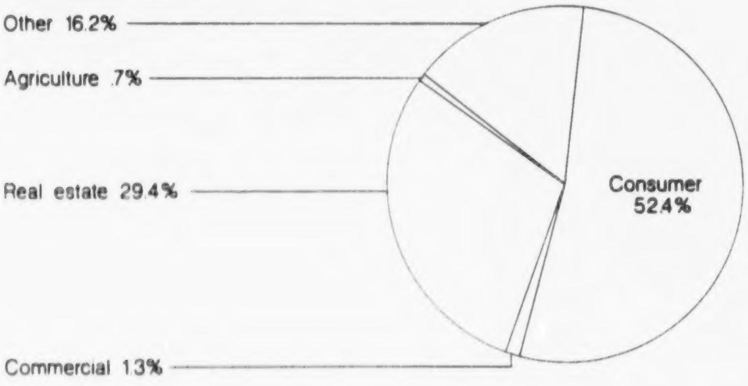
Credit unions have reserve requirements that differ from those of banks and thrifts. Certain credit union assets such as cash and Government-guaranteed investments and loans are not considered risk assets. For other assets, the risk factors for credit unions do not vary as do those for banks and thrifts. Thus, 100 percent of the risk asset is counted as risk. Reserve set-asides from gross income are mandated and differ by size and age of the firm. Smaller firms, those with assets of less than $500,000, are required to set aside higher reserves than larger firms. The industry as a whole is well capitalized. The credit union regulator, the National Credit Union Administration (NCUA), claims that, measured by bank risk-based capital standards, credit unions would have an average capital ratio above 10 percent.

Credit unions appear better insulated from the slump in real estate values than thrifts, but a recession could result in more defaults on other loans these firms extend. Fearful of losing jobs and faced with possible higher taxes, consumers cut their purchases of goods and services. The resulting slowdown in consumption could hurt credit unions because of their specialization in consumer lending. This phenomenon, together with increased lender conservatism, explains why loan growth has slowed in the last year. Lenders may continue to be cautious through 1991 and beyond if weak economic conditions persist. Lower earnings and capital are expected under this scenario, but credit unions should weather these problems with much less trauma than the thrift industry.

Figure 18

**Rural credit unions' lending**

**Credit unions are less exposed to troublesome real estate than banks, S&L's**



# Outlook for Rural Credit Markets

*The recession and new regulations will sap the strength of many rural lenders. Rural borrowers may face tighter credit supplies for 1991.*

For depository institutions serving rural areas, 1989 was a mixed bag. Rural commercial banks improved their earnings and capital base. Their level of problem loans has steadily declined, reflecting the loan quality of these firms. Rural credit unions, representing a small and specialized segment of rural credit, still posted satisfactory earnings and appear well capitalized. By contrast, the poor financial performance of rural thrifts mirrors the troubles of that entire industry. Earnings are still well below zero on average, and capitalization levels average below the new 3-percent core capital standard, and even further below the 8-percent risk-based requirement.

Since 1989, several adverse developments have begun affecting the profitability and health of these financial institutions. The longest economic expansion in U.S. history has ended. Like the general economy, the residential real estate market has also suffered. A weak economy means higher loan delinquencies and, thus, lower earnings for financial institutions. Despite troubles in real estate markets, rural financial institutions may be less adversely affected than their urban counterparts where markets have been much less stable. As economic uncertainty clouds the optimism of consumers, demand for loans has fallen and is expected to stay down. Because of their consumer lending focus, credit unions could be more affected by a cooling in consumption. Adverse economic prospects will hurt rural banks and credit unions, but because they enter this period in good financial condition, they are expected to endure.

Major new regulatory changes for the banking and thrift industry have begun to affect rural banks and S&L's. Anticipating the strict risk-based capital requirements and restrictions on thrift lending activities, rural S&L's have begun to restructure their operations. Most thrifts have shrunk in asset size as a way to inflate their capital/asset ratios. The last 2 years have witnessed the loss of 10 percent of rural thrifts, and further consolidation will continue over several years. The loss of these firms may be somewhat overstated because many were taken over by healthier banks and thrifts seeking new markets or economies of scale. Surviving bank and thrift net operating expenses should improve from the liquidation of insolvent thrifts that aggressively bid up the cost of deposits for competing firms. Thrifts remaining in rural areas will probably be smaller but healthier than before the thrift crisis and industry reform.

For rural borrowers, the most noticeable sign of hard times for their financial institutions may be tighter credit requirements and lending activities than in 1989. Financial institutions have already begun scrutinizing the creditworthiness of potential borrowers more closely as well as taking a harder look at the types of activities being funded. Qualified rural borrowers still should find adequate credit for their needs, but higher risk borrowers and those hoping to fund higher risk ventures are finding credit harder to come by and more costly. For rural governments, risk-based capital standards may in time improve the market for local securities.

# Many Rural Banks, Thrifts at Risk in Current Deposit Insurance Scheme

by Daniel L. Milkove

*Although originally meant to stem bank runs, deposit insurance provided an incentive for financial institutions, particularly thrifts, to engage in riskier activities. Several proposals to reform deposit insurance have been offered, and the consequences for rural financial markets are unclear.*

The deposit insurance system in use since 1933 is now undergoing close scrutiny as a direct result of the savings and loan debacle and the serious, but less severe, problems that have afflicted commercial banks in recent years. Any reform of deposit insurance that may result from these studies would be designed primarily to preclude future problems rather than to aid in cleaning up the existing situation. And deposit insurance is not the sole mechanism under consideration for bringing about this goal. Capital standards have already been significantly revised, and the regulatory framework governing financial institutions may face new reorganization going beyond that mandated by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA).

Analysts retrospectively agree that bad incentives associated with current deposit insurance are important factors in explaining why mismanagement of a large group of savings and loan associations (S&L's) is going to cost taxpayers hundreds of billions of dollars over the next 30 years. But why did it take half a century to discover these weaknesses, and why did the system seemingly work so well before the 1980's?[1]

### Deposit Insurance: A Remedy for Bank Instability?

Deposit insurance was devised to stop bank runs. In the past, if one bank failed or was known to be in a precarious position, people would swarm to other banks and demand that their savings and checking accounts be returned as cash in an attempt to avoid personal losses. Fears over spreading problems at times became self-fulfilling prophecies. Banks with fundamentally sound balance sheets lacked the liquidity to meet large-scale currency demands, because loans could not be quickly converted to cash. When cash did run out, banks were forced to close their doors. But holders of insured deposits no longer feared possible financial ruin and, therefore, had little motivation to remove deposits from troubled financial institutions.[2] More recently, many people discovered the unfortunate facts that some firms had no insurance and not all insurance is created equal, as shown by several State insurance programs that ran into trouble.

The downside of protecting depositors is that they did not need to keep close tabs on what the managers of banks and S&L's were doing with their deposits. Lack of oversight was rarely disastrous when financial companies were strictly circumscribed by legislation and regulators in what constituted permissible behavior. S&L's took in savings deposits and made safe residential mortgage loans. Commercial banks made inherently riskier business loans but carefully evaluated loan applications and had access to stable, inexpensive checking account funds on which no interest had to be paid. However, deregulation, world economic events, and new technology changed the financial environment.

Deposit deregulation solved one recurring problem for financial institutions, that of disintermediation, in which deposits flowed out of financial institutions. Previously, if market interest rates rose above the levels banks and S&L's were permitted to pay their depositors, people would remove some of their funds and search for superior investments. In turn, this situation limited the ability of financial institutions to meet "legitimate" loan demand. As interest rates rose in the 1980's, financial firms were authorized to compete for deposits by offering higher interest rates. Thus, firms could lend to borrowers willing and able to pay the even higher loan rates. But, on paper most S&L's (and some banks) quickly became insolvent because of the maturity mismatch between assets and liabilities. Residential mortgages, their primary asset, came with fixed loan rates and long terms, but deposit liabilities often turned over in weeks or months.

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[1] At least some analysts were aware from the very beginning of potential pitfalls in the deposit insurance system (Barth, 1990).

[2] Some researchers believe that the Federal Reserve (the Fed) could have prevented bank runs, or at least minimized their harmful effects, had it been more forthcoming in behaving as the lender of last resort. That is, the Fed should have supplied the necessary cash to sound banks, so that, just as with deposit insurance, people would have seen that their bank deposits were not endangered.

Besides being insolvent in an economic sense (amounts owed as liabilities exceeded current market values of assets), thrifts showed large losses as they paid more interest to depositors than was earned from borrowers.

### Deposit Insurance Goes Awry

The Government (executive branch, Congress, and regulators) took a two-part approach to saving the thrift industry. First, policymakers pressed for lower interest rates so that interest earned on assets would once again outstrip interest paid on liabilities. Under a policy called regulatory forbearance, weakened institutions were allowed to remain in operation in the hope that they could recover. This scenario did come about, although not in time to rescue all S&L's. Second, policymakers passed legislation and regulations that were intended to let S&L's save themselves by growing and finding additional sources of income. Managers at a sizable minority of firms jumped at the opportunities to enter new markets, such as commercial real estate and junk bonds. One might have expected shareholders to defend their interests by reining in the managers, because shareholder equity is not protected by deposit insurance. However, too often the shareholders either failed to perceive the danger, were themselves the managers, or benefited personally from foolish loans that led to the eventual demise of their S&L.

Outright fraud apparently became rampant, but mismanagement was probably the major culprit. Managers lacked familiarity in assessing risks associated with loans in new lines of business. Worse, risk analysis was ignored under the misguided assumption that favorable economic trends would continue unabated. Many loans that now look ridiculous (and should have been so-judged all along) might have been repaid if oil prices had followed optimistic predictions and gone higher instead of lower in the 1980's. As the real estate market collapsed in the Southwest energy States, borrowers could not pay off loans by selling their investments at a profit.

Deposit insurance placed the final nail in the coffin, making the ultimate costs much higher than would otherwise have been the case. As loans began to go bad, insurance and deregulation helped ailing thrifts attract increasing levels of deposits by offering premium interest rates. These funds were used to make risky loans with potentially high profits. Owners had nothing to lose because their stock was already worthless, and insurance meant that depositors needn't concern themselves over the health or behavior of the financial firms. If regulators had been willing and able to close S&L's as they first became insolvent, resolution costs would be lower for two reasons. First, deposit rates would be less if sick thrifts were not bidding up the rates. Second, many of the bad loans would not have been made.

### Reforming Deposit Insurance

Various suggestions have been put forward concerning how best to reform deposit insurance, ranging from modifying the current system to scrapping Federal insurance entirely. One of the less drastic proposals would reduce the maximum insured deposits held by a single depositor, perhaps introducing coinsurance above some level. With today's $100,000 limit, brokers can easily assemble large blocks of brokered deposits to be placed with the highest insured bidder. If regulators further make clear their intentions to let even a large bank fail, some feel that depositors will of necessity take a closer look at what their financial institutions are doing.

Risk-based deposit insurance is grounded on the idea that financial institutions that place greater potential claims on the insurance funds by partaking in riskier activities should pay for that privilege through higher insurance premiums. Even if the premium is not sufficient to cover the plausible outer range of that bank's loss, or by itself force the firm to modify its behavior, public knowledge of an unusually high premium might produce credible pressure on the bank from those facing losses if the bank failed.[3]

A more serious revision involves restricting what can be done with insured deposits. Litan's (1987) "narrow bank" could only invest insured deposits in safe assets such as Government securities. Bryan (1988) takes this idea even further. He extrapolates from trends toward securitization to contend that financial institutions should specialize in either deposit-taking or lending activities.[4] Federal insurance would continue only for depository institutions, but with little risk because of the safe uses to which the deposits would be placed.

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[3] Possible losers would include holders of stock and subordinated debt and uninsured depositors. The latter group becomes more important if this proposal is supplemented by reducing maximum-insured deposits or by a copayment requirement.

Ely (1990) suggests that Federal deposit insurance is an inherently unworkable system. He believes that banks should create their own private insurance system. Groups of banks would guarantee member deposits, with arrangements made for reinsurance from other bank coalitions. If a bank failed, capital from other banks would be used to pay off depositors if insurance funds were not sufficient. The profit motive would lead banks to devise a system in which banks that carried out riskier activities would be charged insurance premiums commensurate with that risk and be closed before becoming insolvent.

### Outlook for Deposit Insurance Reform for Rural Financial Markets

How rural communities and financial institutions will fare if any of these proposals come into force is unclear. Both rural and urban communities would favor anything that eliminates or minimizes financial disruptions caused by failing financial institutions. But, even if reforms bring about the desired goal, at what cost is stability achieved? A balance must be struck between the need for depositor protection and the need for loans to be made that carry some degree of credit risk. None of the proposals intend to cut into "legitimate" loan demand, but the actual outcome is unknown. For example, if banks police each other as in Ely's suggestion, would they institute overly conservative policies or simply trust each other's instincts?

The Independent Bankers Association of America (IBAA), representing most small banks and hence most rural banks, is against any reduction in the $100,000 limit on insured deposits. IBAA apparently fears that its members would compete less successfully for funds with a lower limit. Their reasoning is that regulators will not permit large banks to fail, because such an event might panic financial markets. Thus, all deposits at large banks are implicitly insured, providing an incentive for large depositors to deal exclusively with large banks.

Preliminary June 1990 bank data may shed some light on this issue. The average rural-headquartered bank held 16 percent of its deposits in accounts above $100,000. With $63 billion in 321,000 large deposit accounts, these banks averaged $197,000 per account. These large accounts with deposits almost twice the maximum-insured amount exist despite publicity surrounding the fact that depositors at some small failed banks have lost part of their uninsured funds. Although a lower insurance limit might cause some depositors to move their funds, the evidence does not suggest that rural banks are likely to face huge outflows of deposits.

### For Additional Reading...

Barth, James R. "Post-FIRREA: The Need to Reform the Federal Deposit Insurance System." Presented at the 26th Annual Conference on Bank Structure and Competition, Federal Reserve Bank of Chicago, May 9-11, 1990.

Bryan, Lowell L. *Breaking Up the Bank: Rethinking an Industry Under Siege.* Homewood, IL: Dow Jones-Irwin, 1988.

Ely, Bert. "Making Deposit Insurance Safe Through 100% Cross-Guarantees." Written for the National Chamber Foundation with a summary provided at the 26th Annual Conference on Bank Structure and Competition, Federal Reserve Bank of Chicago, May 9-11, 1990.

Litan, Robert E. *What Should Banks Do?* Washington, DC: The Brookings Institution, 1987.

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[4] Bryan actually discusses other activities in which a firm might specialize, such as credit insurance or investment banking. Securitization makes it possible for firms to perform the activity that they do best. In particular, lenders could process and service loans without having to worry about handling depositors or managing interest rate risk on loans held by investors rather than the lender.

# Rural Financial Institutions After FIRREA

by Clifford Rossi

*The recent legislation enacted to reform financial markets in general and the thrift industry in particular imposes strict new risk-based capital standards, requires S&L's to focus more on mortgage-type lending, and increases the cost of deposit insurance. Among these provisions, the capital standards affect thrifts the most. Thus, the numbers of rural thrifts could contract by 20-25 percent over time.*

Congress enacted the Financial Institutions, Reform, Recovery, and Enforcement Act of 1989 (FIRREA) to reform and rescue the savings and loan industry. That act has significantly restructured the thrift industry with repercussions for other financial institutions as well.

Among the most significant changes affecting thrifts are risk-based capital standards, limitations on nonmortgage lending activities, and increases to deposit premiums. Most thrifts are overhauling their operations to comply with the regulations. FIRREA means the shrinking of not only the number of S&L's but also of the size of firms left in operation. Thrifts will focus their activities more on traditional lending areas, such as home mortgages, and away from junk bonds, direct investments, and other risky types of assets. Consolidation and contraction of the industry should lead to more stability in financial markets. In the short term, credit supplies will be tighter as firms seek to slim down to meet the capital standards. Lending requirements will be strengthened, but qualified borrowers should be able to acquire funds.

## New Capital Standards To Shrink Thrift Industry

Of all the FIRREA requirements, none have more potential for changing the structure of the industry than the new capital requirements. Thrifts must meet a basic requirement that their levels of common equity capital exceed 3 percent of total assets. Firms also must keep levels of total capital above 8 percent of risk-weighted assets. Assets are categorized into several groups according to their degree of risk. For example, cash and short-term Treasury securities do not count toward total risk assets. Consumer loans, however, would be counted at 100 percent and first mortgage residential loans at 50 percent.

Thrifts must meet both standards to comply. Failure to do so could result in growth restrictions. But, FIRREA does not place thrifts at an unfair disadvantage with these tougher requirements. Rather, the act evens out the playing field by forcing thrifts to meet capital standards as restrictive as those imposed on national banks.

How many rural S&L's are undercapitalized according to the new standards can be approximated by examining recent financial reports. According to 1989 data, just over 80 percent of all rural thrifts would pass the FIRREA capital standards, and the margin of safety is substantial. Almost 18 percent of rural S&L's would fail the most restrictive standard, the risk-based requirement. When all capital standards are phased in, rural thrifts will probably face a deficit of $4.38 billion. This amount, equal to about 3 percent of total assets, will be a prodigious sum to raise in a market stricken by a lack of public confidence. Nearly all of that capital deficiency is for technically insolvent rural thrifts. For those 121 firms possessing a capital deficit/total assets ratio of 27.7 percent, any realistic strategy to raise capital would fall well short of requirements.

The alternatives for raising their capital/asset ratios are few and depend upon the profitability of the firm or access to capital markets. Thrifts can raise capital by increasing profits or selling shares of common stock. However, rural thrifts have lost money for years on average. That kind of earnings history and the quality of assets complicates raising capital as a strategy for truly capital-impaired rural thrifts and will not vault them into compliance. Moreover, only a little over half of rural thrifts can sell shares of stock.

Some firms will seek a merger as a way to stay in operation, but even these options are limited for very weak firms. Desirable attributes of target firms for acquisition include stable, relatively good earnings performance and a quality asset portfolio, among other factors. Rural thrifts may be further disadvantaged by generally poorer economic performance in their service areas compared with their urban counterparts that could turn off would-be acquirers.

Asset shrinkage is a tactic that has been aggressively used by many thrifts to comply with the standards. Firms can theoretically sell off assets to remove them from counting toward their asset base. But, the market has become saturated with such assets, complicating compliance for many highly leveraged thrifts. The slump in real estate values and activities by the

Resolution Trust Corporation in selling assets of defunct firms taken over by the Government worsen this problem.

Most rural thrifts can meet the new capital standards. But, 20 percent are unable to meet them and have few options for improving their status, signaling further significant contraction in the number of rural thrifts. Most of these deficient firms are technically insolvent anyway. Their exit from the industry, while certainly disruptive, will tend to stabilize markets over time, reallocating credit from risky activities to those that are perhaps more beneficial to local areas.

### Back to the Basics for Thrifts--Renewed Interest in Mortgage Lending

Like FIRREA's capital standards, the qualified thrift lender test will lead many thrifts to reallocate their portfolios. This new provision requires thrifts to keep more than 70 percent of their portfolio in certain types of mortgage assets. Under the new rule, about 28 percent of all rural S&L's would be out of compliance. Their average qualified thrift lender ratio of mortgage assets to total assets is just over 57 percent. Rural thrifts on average had 74 percent of total assets in housing-related investments, much more than the qualified thrift lender standard. Furthermore, capital adequacy and holdings of qualified thrift assets seem to be related. Forty-five percent of all thrifts failing the 3-percent capital standard also fail the qualified thrift lender rule.

By contrast, 22 percent of thrifts passing the capital standard fail the qualified thrift lender rule. Firms failing to meet both that rule and capital standards may be forced to shrink asset base as they also reallocate remaining assets to housing-related investments.

### Operating Expenses To Rise Slightly With Higher Deposit Premiums

FIRREA raises deposit premiums for 1991-93 from $0.208 per $100 of deposits to $0.23 per $100. Between 1994 and 1997, premiums fall back to $0.18 per $100 and then decline to $0.15 per $100. Higher premiums on deposits will cut into already minimal thrift profits. As a proportion of operating expense, however, the premium hikes add less than 1 percent to operating costs of rural thrifts. These additional costs by themselves will not lead to the immediate insolvency of rural S&L's.

### FIRREA: A Bitter Pill for Thrifts But Stabilizing Force for Rural Financial Markets

Although most solvent rural thrifts comply with the new capital standards, these requirements may cause the number of rural thrifts to decline by as much as 20-25 percent over the next few years. Contraction of the industry is not particularly harmful. Rural thrifts still account for only about 20 percent of total deposits among depository institutions, and more than 11,000 rural banks and credit unions serve rural areas. In many instances, the assets of defunct thrifts will be bought out by other financial institutions with a minimum disruption to depositors and borrowers. One positive aspect is that contraction may help surviving thrifts and banks lower their cost of funds that increased due to aggressive bidding for deposits by weak thrifts.

In the short term, rural borrowers can expect tighter lending requirements and slower loan growth by firms. Borrowers and lenders alike have been affected by the decline of the thrift industry, the cost to bail out ailing thrifts, and now the possibility that the bank insurance fund may need similar restructuring. Creditworthy borrowers need not fear that lending will evaporate. Rather, thrifts and banks will pursue more prudent lending practices than have been followed in the past, meaning the financing of less risky investments such as housing.

## Appendix: Data Sources

Several sources of secondary data were used for this report. Commercial banks, savings and loans, and credit unions are all required to file periodic reports to their respective regulatory agencies. The reports generally contain balance sheet and income statement information, although the types of depository institution reports are different.

### Commercial Banks

We used data on all commercial banks located in the 50 States and insured by the Federal Deposit Insurance Corporation (FDIC) reporting nonzero assets and deposits. All income, portfolio, and balance sheet information for these firms comes from the Report of Condition - Report of Income (RCRI) database of the Board of Governors of the Federal Reserve System (FRB or "the Fed"). Data on rural deposits were derived from the FDIC's Summary of Deposits database.

### Savings and Loans

We used data on all U.S. S&L's reporting nonzero assets and deposits and reporting to the Office of Thrift Supervision. The data were taken from two sources: the Thrift Financial Reports and the Office Deposit Report of the Office of Thrift Supervision. Information regarding the effects of qualified thrift lender standards on rural S&L's came from staff of the Office of the Chief Economist, Office of Thrift Supervision.

### Credit Unions

We took credit union data from the 1989 Year-end Financial and Statistical Report of Credit Unions of the National Credit Union Administration.

## Appendix table 1—Average operating characteristics of rural banks, 1989[1]

| Item | Assets | | | | | | Regions | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | All firms | Under $100 million | $100-$300 million | $300-$500 million | $500 million to $1 billion | Over $1 billion | South | Northeast | North Central | West |
| | | | | | *Number* | | | | | |
| Firms | 6,968 | 6,122 | 776 | 38 | 18 | 14 | 2,588 | 219 | 3,580 | 581 |
| | | | | | *Thousand dollars* | | | | | |
| Net income | 539 | 335 | 1,533 | 3,678 | 7,370 | 17,539 | 581 | 1,685 | 452 | 464 |
| Assets | 55,021 | 35,380 | 149,734 | 371,074 | 679,314 | 1,733,614 | 64,396 | 159,702 | 43,152 | 46,945 |
| | | | | | *Percent* | | | | | |
| Loan/deposit ratio | 62.06 | 56.86 | 64.53 | 72.30 | 88.68 | 79.20 | 62.00 | 80.41 | 58.79 | 58.25 |
| Loan/asset ratio | 54.83 | 50.63 | 57.13 | 62.08 | 75.92 | 66.35 | 54.80 | 69.05 | 52.14 | 51.97 |
| Net interest margin | 3.86 | 3.83 | 3.77 | 3.87 | 4.38 | 4.30 | 3.84 | 4.29 | 3.70 | 4.32 |
| Return on assets | .98 | .95 | 1.02 | .99 | 1.08 | 1.01 | .90 | 1.06 | 1.05 | .99 |
| Return on equity | 11.45 | 10.37 | 12.49 | 12.95 | 15.78 | 15.25 | 10.55 | 13.36 | 11.89 | 12.18 |
| Capital/asset ratio | 9.35 | 9.95 | 8.96 | 8.38 | 7.69 | 7.32 | 9.07 | 9.61 | 9.33 | 8.53 |
| Loan loss provisions/ total loans | .68 | .68 | .59 | .56 | 1.14 | .82 | .85 | .76 | .46 | .62 |

[1] Weighted averages are given for items other than number of firms.

## Appendix table 2—Average operating characteristics of rural savings and loans, 1989[1]

| Item | Assets | | | | | | Regions | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | All firms | Under $100 million | $100-$300 million | $300-$500 million | $500 million to $1 billion | Over $1 billion | South | Northeast | North Central | West |
| | | | | | *Number* | | | | | |
| Firms | 909 | 639 | 211 | 33 | 16 | 10 | 396 | 66 | 363 | 84 |
| | | | | | *Thousand dollars* | | | | | |
| Net income | -381 | -165 | -433 | -2,387 | -3,438 | -1,551 | -338 | 22 | -466 | -558 |
| Assets | 123,175 | 45,507 | 160,372 | 348,752 | 729,732 | 2,586,379 | 103,460 | 128,367 | 148,217 | 105,782 |
| | | | | | *Percent* | | | | | |
| Loan/deposit ratio | 66.42 | 75.03 | 78.62 | 85.95 | 76.07 | 58.30 | 78.38 | 96.58 | 67.10 | 77.90 |
| Loan/asset ratio | 55.30 | 68.09 | 69.12 | 72.29 | 62.33 | 40.22 | 69.03 | 80.05 | 53.22 | 66.63 |
| Net interest margin | .27 | .45 | .33 | .42 | -.24 | .14 | .19 | .45 | .28 | .38 |
| Return on assets | -.31 | -.36 | -.27 | -.68 | -.47 | -.06 | -.33 | .02 | -.32 | -.53 |
| Return on equity | -14.43 | -9.11 | -13.71 | -14.06 | * | -1.98 | -461.61 | .27 | -10.47 | -22.83 |
| Capital/asset ratio | 2.14 | 3.99 | 1.97 | 4.87 | ** | 3.02 | .07 | 6.39 | 3.01 | 2.31 |
| Loan loss provisions/ total loans | .41 | .48 | .26 | .52 | .29 | .34 | .32 | .18 | .40 | .67 |

* = Capital and net income less than 0.

** = Capital less than 0.

[1] Weighted averages are given for items other than number of firms.

## Appendix table 3—Average operating characteristics of rural credit unions, 1989[1]

| Item | Assets | | | | | Regions | | | |
|---|---|---|---|---|---|---|---|---|---|
| | All firms | Under $100 million | $100-$300 million | $300-$500 million | Over $500 million | South | Northeast | North Central | West |
| *Number* | | | | | | | | | |
| Firms | 4,302 | 4,244 | 53 | 2 | 3 | 1,376 | 653 | 1,464 | 809 |
| *Thousand dollars* | | | | | | | | | |
| Net income | 79 | 63 | 114 | 1,787 | -1,370 | 79 | 68 | 75 | 89 |
| Assets | 13,540 | 6,386 | 153,449 | 444,004 | 756,671 | 8,085 | 7,897 | 20,999 | 14,082 |
| *Percent* | | | | | | | | | |
| Loan/deposit ratio | 48.35 | 75.06 | 63.05 | 46.88 | 49.59 | 70.21 | 73.90 | 26.04 | 71.00 |
| Loan/asset ratio | 42.99 | 68.38 | 57.99 | 41.00 | 45.21 | 63.79 | 67.97 | 22.56 | 65.06 |
| Net interest margin | 2.56 | 4.21 | 3.24 | 1.96 | .49 | 3.76 | 3.91 | 1.38 | 3.84 |
| Return on assets | .58 | .98 | .74 | .40 | -.18 | .98 | .86 | .36 | .64 |
| Return on equity | 11.30 | 11.86 | 11.03 | 10.71 | -5.44 | 12.28 | 12.45 | 11.43 | 9.24 |
| Capital/asset ratio | 5.16 | 8.26 | 6.73 | 3.76 | 3.33 | 8.00 | 6.91 | 3.13 | 6.87 |
| Loan loss provisions/ total loans | .66 | .58 | .88 | .21 | 1.55 | .60 | .64 | .48 | .91 |

[1] Weighted averages are given for items other than number of firms.

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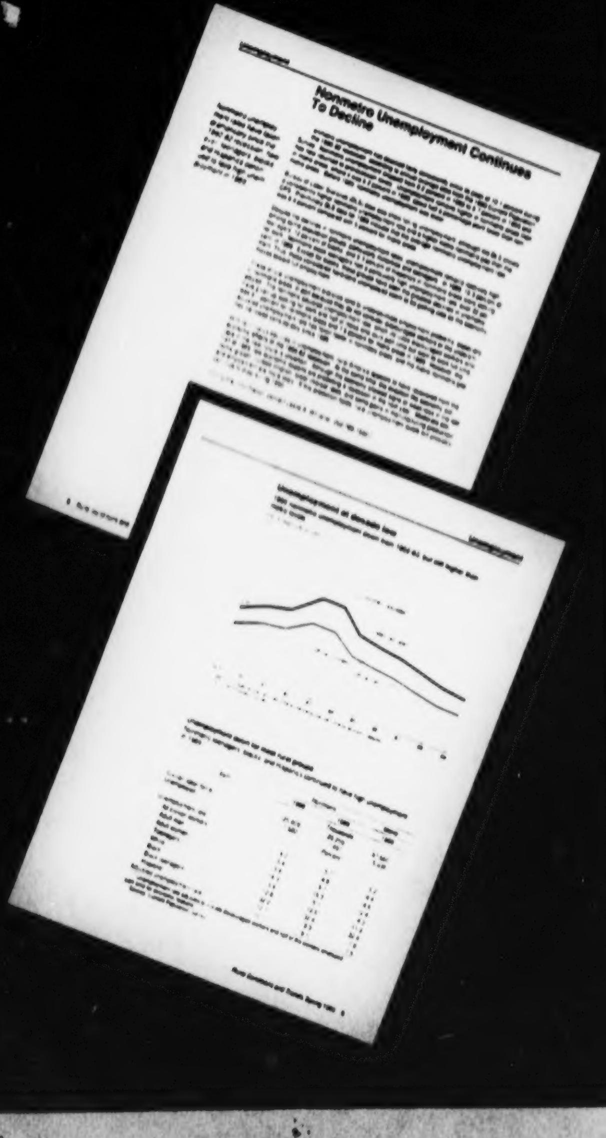
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Rural employment down as unemployment climbs in early 1991

Moderate recovery expected to follow recession

[illegible]

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# Rural Conditions and Trends

Summer 1991, Vol. 2, No. 2

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# National Recovery May Have Begun

*Many observers believe the recession that started in July 1990 may have ended. The recovery is expected to be moderate after the relatively mild recession. Just the ending of the recession is unlikely to significantly lower unemployment rates in remote, less developed rural counties with sizable minority populations.*

The National Bureau of Economic Research pegged July 1990 as the beginning of the recent recession. Many analysts believe the recession bottomed out sometime between April and June 1991. The four indicators generally used to identify the start of the recession have trended up during the first half of this year. And, the composite index of leading indicators calculated by the Bureau of Economic Analysis at the Commerce Department posted its fourth monthly increase in May. Only time will tell if these improvements mean the trough of the recession has been reached.

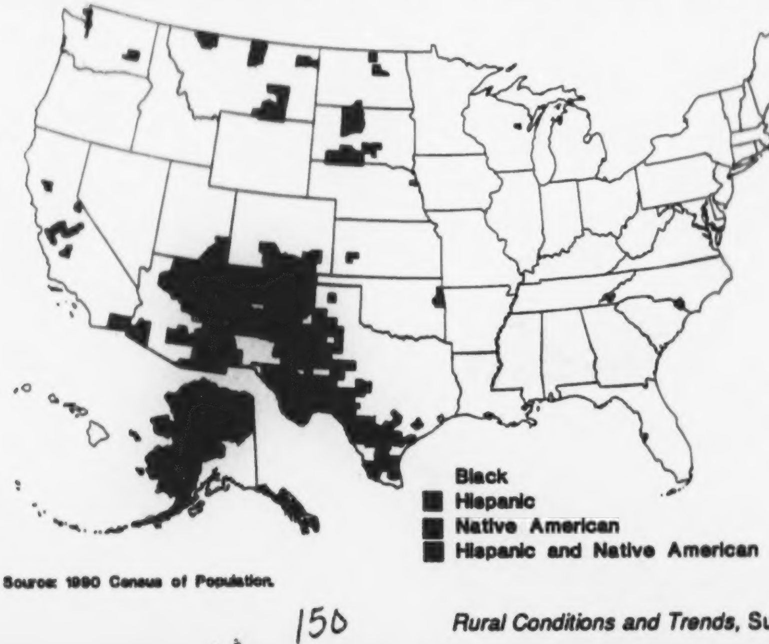
Observers expect this relatively mild recession to be followed by moderate recovery. Administration estimates put real gross national product (GNP) growth at just over 3 percent in 1992. And, with moderate GNP growth, unemployment is expected to decline less than half a percentage point from 1991 to 1992. Rural unemployment rates are higher than urban unemployment now and will undoubtedly remain so. Significant reductions in rural unemployment rates have historically required quite robust and sustained national growth.

Changes in employment and unemployment generally lag rising factory orders. Manufacturers might have inventory to sell before they rehire laid-off workers to produce more of their products. And, employment in retail and personal service industries might not rebound until workers returning to jobs in other sectors regain their purchasing power.

There is also a time lag in the availability of rural employment and unemployment data. We report annual change from 1989 to 1990. Because 1990 includes the last 6 months of expansion and the first 6 months of the recession, the annual change cannot give us a specific look at the rural employment and unemployment changes caused by the recession. The Current Population Survey and Bureau of Labor Statistics both report declining employment and increasing unemployment between the first quarters of 1990 and 1991.

Rural counties with high percentages of Blacks, Hispanics, or Native Americans had unemployment rates substantially higher than the national average in 1990. The minority population in these rural counties is 25 percent or more of the total population. And, large proportions of the minorities who live in rural areas live in these minority counties (see definition, p. 11). Thus, increased local employment opportunities would benefit at least some of a sizable proportion of rural minorities. However, just coming out of the recession might not significantly increase employment in rural minority counties because many of them are geographically isolated and many are disadvantaged by little economic development. *[Linda Ghelfi, 202/219-0547.]*

## Nonmetro minority counties
### Nonmetro Blacks and Hispanics concentrated in South and Southwest



Source: 1990 Census of Population.

# Mild Recovery Expected

*The economy entered a recession last July. Data suggest the downturn ended in the second quarter of 1991, and a new expansion has begun. Many analysts expect growth to be less robust than is typical for the beginning of expansions.*

In April, the Business Cycle Dating Committee of the National Bureau of Economic Research designated July 1990 as the peak of the last expansion and the beginning of the recent recession. Four economic indicators that the Committee used to establish the peak suggest that a new expansion is underway. Nonfarm employment turned up in May, the first increase since June 1990. Real disposable personal income and real manufacturing and trade sales have risen from a January low. Industrial production began increasing in April.

Other developments provide a setting for growth in the economy. Interest rates declined through the first half of this year; the prime rate dropped from 10 percent in early January to 8.5 percent in June. Inflation pressures eased as the Consumer Price Index grew at an annual rate of 5 percent for the 6 months ending in May, down from 6.9 percent for the 6 months ending in October 1990. Both low interest rates and declining inflation bolster prospects for interest-sensitive consumer and business spending.

The actual point at which the economy reaches its low and begins improving is hard to predict. However, two recent surveys point to a second-quarter trough. Sixty percent of those surveyed by the National Association of Business Economists (NABE) believed that the trough would occur in the second quarter. In the *Blue Chip Economic Indicators* survey, the majority of economists pointed to a May or June trough. However, in both surveys, about 30 percent of the respondents expected the recession to last beyond the second quarter of this year.

### How Strong a Recovery?

Economic growth is usually quite strong in the first year after the end of a recession, but this recovery may not be as strong. Excluding the unusually short expansion of 1980, expansions over the last 20 years have typical gross national product (GNP) growth in excess of 5 percent during the first year. Interest rates—perhaps due to lower expected inflation—continue to slide in the early part of an expansion, and the exchange value of the dollar tends to rise slightly. With the surge in production, demand for labor increases and unemployment rates fall. The U.S. civilian unemployment rate has fallen on average by 1.4 percentage points and the nonmetro unemployment rate by a slightly smaller 1.3 percentage points.

The current outlook, however, is for a weaker than normal recovery. Relatively slower growth is not surprising since historical data suggest that mild recessions are followed by moderate rebounds. Both the administration and the Congressional Budget Office are forecasting relatively modest growth in the beginning of the expansion, with growth in real GNP of just over 3 percent for 1992. The U.S. civilian unemployment rate will therefore also fall less than average, with a decline of about 0.1 to 0.4 percentage point from 1991 to 1992.

### Implications for Rural Unemployment

The unemployment rate typically is slow to recover in an economic rebound because employers tend to be more cautious in hiring than in laying off workers. The rate may actually increase early in the recovery as discouraged workers, those who are jobless but have given up looking for work, reenter the labor force and resume job hunting in the improved economic climate.

Preliminary research suggests that discouraged workers continue to move back into the labor force well over a year after the onset of a rebound. Because rural areas have disproportionately more discouraged workers than urban areas, the gap between the rural and urban unemployment rates may widen slightly in the early part of the recovery. Such an increase does not reflect worsening overall conditions in rural areas so much as it reflects a more complete count of those who had been jobless and desiring work during the recession. *[Analysis reflects data as of June 14, 1991. Karen Hamrick, Elizabeth Mack, Ralph Monaco, 202/219-0782.]*

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## Economic performance in the first year of an expansion
### Real GNP grows rapidly during the first year of an expansion

| Economic variable | Average first year performance[1] |
|---|---|
| | *Percent change* |
| Real GNP[2] | 5.3 |
| Exchange value of the dollar[3] | 3.4 |
| | *Percentage point change* |
| Prime rate[2] | -1.6 |
| U.S. civilian unemployment rate[3] | -1.4 |
| Nonmetro unemployment rate[3] | -1.3 |

Note: The 1980 recession was excluded from this analysis because analysts generally agree that it was atypical. Not only was it the shortest recession on record, but it was also exacerbated by the imposition of credit controls.

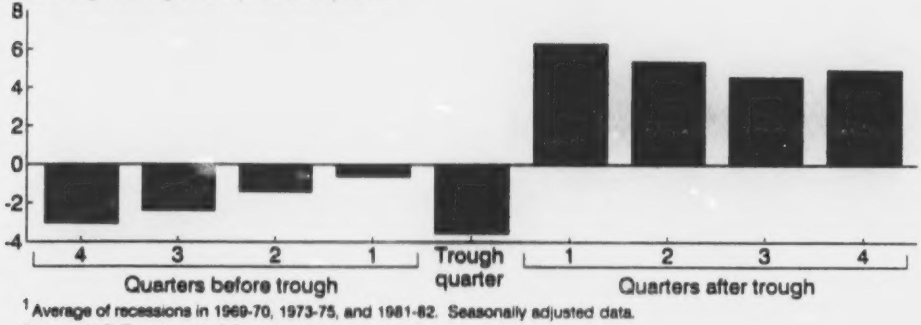
[1] From trough quarter to same quarter in the following year.

[2] Average of recessions in 1969-70, 1973-75, and 1981-82.

[3] Average of recessions in 1973-75 and 1981-82. The 1969-70 recession was excluded because the exchange value of the dollar was fixed during that period; nonmetro unemployment data are not available for 1969-70; and the U.S. civilian rate was computed for the same recessions as the nonmetro rate for comparability.

## Average quarterly change in real GNP[1]
### GNP growth is typically strong early in an expansion...

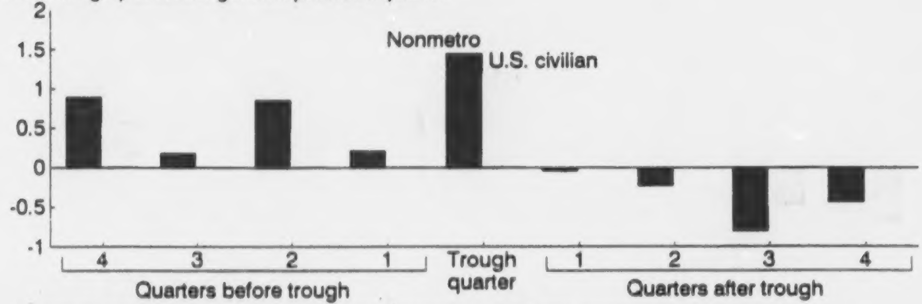
*Percentage change from previous quarter*



[1] Average of recessions in 1969-70, 1973-75, and 1981-82. Seasonally adjusted data.
Source: U.S. Department of Commerce.

## Average quarterly change in the unemployment rate[1]
### But unemployment rates are slower to fall

*Percentage point change from previous quarter*



[1] Average of recessions in 1973-75 and 1981-82. Seasonally adjusted data; nonmetro rates adjusted by authors.
Source: Bureau of Labor Statistics.

# Rural Employment Declines

*Rural employment fell by 299,000 between the first quarters of 1990 and 1991, as the national recession affected rural areas. Employment declined more in manufacturing-dependent counties and in rural areas of the New England and Middle Atlantic States than in other rural areas.*

The period of sustained job growth that began in 1983 ended as the national recession hit rural areas. The decline in rural employment between the first quarters of 1990 and 1991 was similar to that in urban areas. However, the estimated amount of rural employment decline differs between our two data sources.

According to Current Population Survey (CPS) data, rural employment fell 1.2 percent between the first quarters of 1990 and 1991. The urban employment decline was a slightly smaller 0.9 percent. Rural employment had grown more rapidly than urban employment between the first quarters of 1989 and 1990, suggesting that the subsequent rural decline was steeper than the urban.

Preliminary Bureau of Labor Statistics (BLS) county-level data also indicate stagnation. Rural employment fell by 0.2 percent and urban employment fell by 1.0 percent between the first quarters of 1990 and 1991. The BLS data thus indicate a smaller fall in rural employment than do the CPS data. The reasons why these two estimates differ are not well understood, however.

**Job Picture Mixed at Outset of Recession**

Annual employment growth rates differed substantially among rural areas at the outset of the current recession. Between 1989 and 1990, rural employment rose in 32 States and fell in 17, according to annual average BLS data. All of the workers in the 50th State, New Jersey, live in metro counties. The States with the largest rural employment losses were widely dispersed: Indiana and Iowa in the Midwest, Alabama and Texas in the South, and California and Montana in the West. Two New England States, Massachusetts and Rhode Island, had among the highest percentage falls in rural employment. Both of these States experienced strong downturns in their financial and construction sectors.

Although employment increased in most rural counties between 1989 and 1990, job creation rates generally were lower than in the previous year. The 1989-90 employment growth rate for all rural areas was 1.4 percentage points lower than the 1988-89 growth rate. The slowdown in rural employment growth was quite widespread, affecting counties with different economic specializations. Counties that depend on farming or mining were less affected than manufacturing-dependent and retirement-destination counties, reflecting generally strong farm incomes and the temporary boost to the petroleum sector that followed the Iraqi invasion of Kuwait. Employment growth in counties adjacent to metro areas slowed more than in other rural counties. Between 1981 and 1989, employment growth in rural counties adjacent to urban areas always exceeded growth in more remote rural counties. In 1989-90, this pattern reversed.

Preliminary BLS data for the first quarter of 1991 suggest that rural employment declines have become more widespread than is indicated by the 1989 and 1990 annual average data. The recession appears to be most severe in the New England and Middle Atlantic States. Manufacturing-dependent counties also have above-average employment losses. The cyclical sensitivity of manufacturing-dependent counties continues a historical pattern, but the economic stress in the Northeast reflects unusually severe imbalances in the financial and real estate sectors that developed in the late-1980s.

**Rural Data Lag Employment Shifts**

The major advantage of the BLS rural employment data is their availability at the county level. They can be used to study differences among small areas while the more widely reported CPS data are only available at the national rural-urban level.

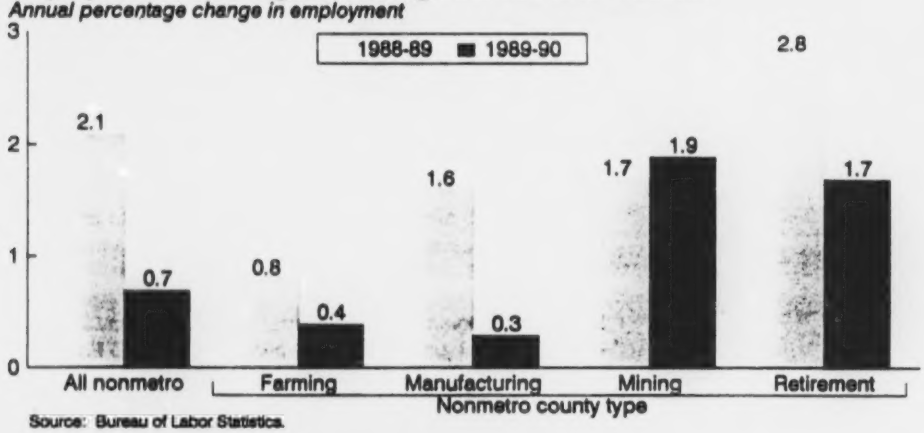
When analyzing BLS data, we emphasize annual average values, rather than quarterly values. Employment growth rates calculated from the quarterly data appear to be excessively volatile. Using annual average values should reduce the effect of possible measurement errors in the quarterly data, but lengthens the time lag between economic events and their analysis. Such a delay is unfortunate. Thus, we also discuss current quarterly data when they differ from annual data and are consistent with other economic data. *[Paul Swaim, 202/219-0552.]*

## Recession strikes nonmetro labor markets
### Employment falls in most recent period

| Item | Year to year 1987-88 | Year to year 1988-89 | Year to year 1989-90 | 1st quarter to 1st quarter 1989-90 | 1st quarter to 1st quarter 1990-91 |
|---|---|---|---|---|---|
| | *Percentage change in employment* | | | | |
| Current Population Survey: | | | | | |
| United States | 2.2 | 2.1 | 0.5 | 1.1 | -1.0 |
| Nonmetro | 2.3 | 3.7 | .2 | 1.6 | -1.2 |
| Metro | 2.2 | 1.6 | .6 | .9 | -.9 |
| Bureau of Labor Statistics: | | | | | |
| United States | 2.3 | 2.0 | .5 | .9 | -.8 |
| Nonmetro | 2.4 | 2.2 | .8 | 1.3 | -.2 |
| Metro | 2.3 | 2.0 | .4 | .8 | -1.0 |

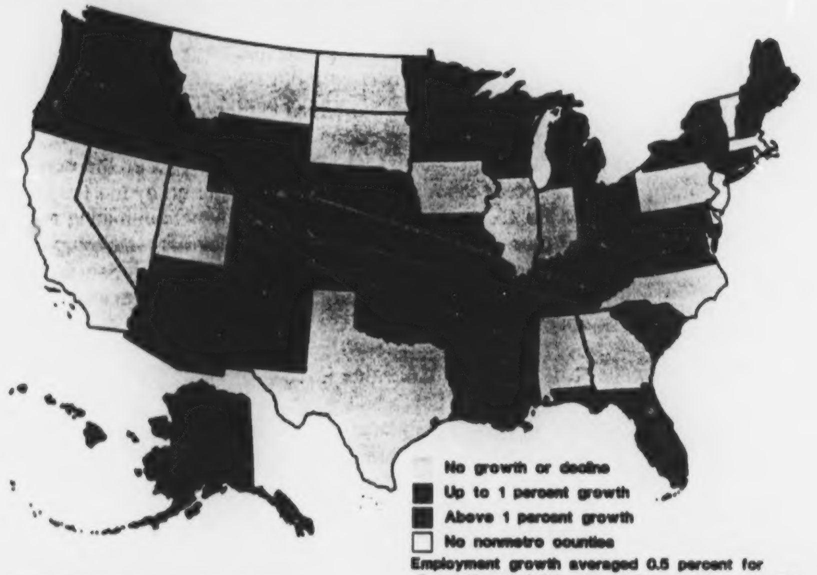
Source: Current Population Survey and Bureau of Labor Statistics county data.

## Widespread slowdown in nonmetro employment growth
### Employment in farming and mining counties least affected



Source: Bureau of Labor Statistics.

## Nonmetro employment change, 1989-90
### Nonmetro job picture shows few regional trends



Employment growth averaged 0.5 percent for all counties and 0.8 percent for nonmetro counties.

Source: Bureau of Labor Statistics.

# Rural Unemployment Jumps Sharply in First Quarter of 1991

*Rural unemployment increased substantially between the first quarters of 1990 and 1991. Manufacturing-dependent counties and New England had the largest percentage increases in rural unemployment.*

Rising unemployment resulting from the deepening recession hit both rural and urban areas about equally hard during the first quarter of 1991. However, rural areas continue to face higher levels of unemployment than urban areas. Rural unemployment should remain high in 1991.

Rural unemployment increased to 8.3 percent in the first quarter of 1991, up from 6.6 percent during the same period in 1990, according to Current Population Survey (CPS) data. This first-quarter unemployment rate is the highest since 1987 when 8.7 percent of the rural labor force was looking for work. Because the data are not seasonally adjusted, comparisons are made with the same quarter in the previous year. Urban unemployment was at 6.8 percent in the first quarter of 1991, up from 5.5 percent in the first quarter of 1990.

The adjusted unemployment rate (which includes those who have given up looking for work and half of those who work part-time but want to work full-time) also increased sharply during the first quarter of 1991. The adjusted rural unemployment rate was 12.3 percent in the first quarter of 1991, up from 10.0 percent for the same period last year. In urban areas, the adjusted rate was 9.7 percent in the first quarter of 1991, compared with 7.8 percent in 1990.

Preliminary Bureau of Labor Statistics (BLS) data also indicate a sizable increase in rural unemployment in the first quarter of 1991. According to BLS, the rural unemployment rate for the first quarter of 1991 was 8.6 percent, compared with 7.2 percent a year earlier. BLS estimates consistently show a higher rural unemployment rate than CPS estimates, but both estimates suggest the same trend.

The 1990 BLS annual average unemployment data provide the most reliable unemployment estimates for geographic areas. However, these annual averages don't always provide the most current picture of the unemployment situation.

Rural New England had the largest percentage increases in unemployment during 1990. Unemployment jumped from 4.0 percent in 1989 to 5.6 percent in 1990. Declines in defense-related industries, construction, and finance have hit New England particularly hard. Although rural New England had the largest increase in unemployment, the rate remains relatively low compared with some other rural areas. The highest rural unemployment rates during 1990 were in Alaska, Arizona, California, Michigan, Mississippi, and West Virginia. Severe weather in California (both a drought and a freeze) boosted unemployment rates in rural agricultural areas. Many rural areas in Mississippi and West Virginia have long suffered from high unemployment and poverty. These areas continue to have among the highest unemployment rates in the country. Overall, rural unemployment increased in 28 States and fell in 21 between 1989 and 1990.

Rural unemployment increased in manufacturing and retirement counties, but dropped in farming- and mining-dependent counties in 1990. Manufacturing counties are usually the first to show the effects of an economic downturn as the demand for factory-produced goods drops. The recent increase in oil prices brought on by the Iraqi invasion of Kuwait may be responsible for the slight improvement in unemployment in mining areas, down from 8.6 percent in 1989 to 7.7 percent in 1990; however, unemployment in mining counties remains at a very high level. Retirement counties often depend on jobs in tourism because of the high amenities in these areas. The current recession may be hitting these areas hard as people scale back their vacation plans.

### Rural Minority Counties Have Higher Levels of Unemployment

Rural counties with large proportions of Blacks, Hispanics, or Native Americans had unemployment levels substantially higher than the national average of 5.5 percent in 1990. Many of these rural minority counties are in areas of the country that have been particularly disadvantaged by a lack of economic development. In those rural counties where Blacks made up 25 percent or more of the population, the average unemployment rate was 7.0 percent in 1990. For Hispanic counties, the unemployment rate averaged 9.4 percent, and for Native American counties, 8.7 percent.

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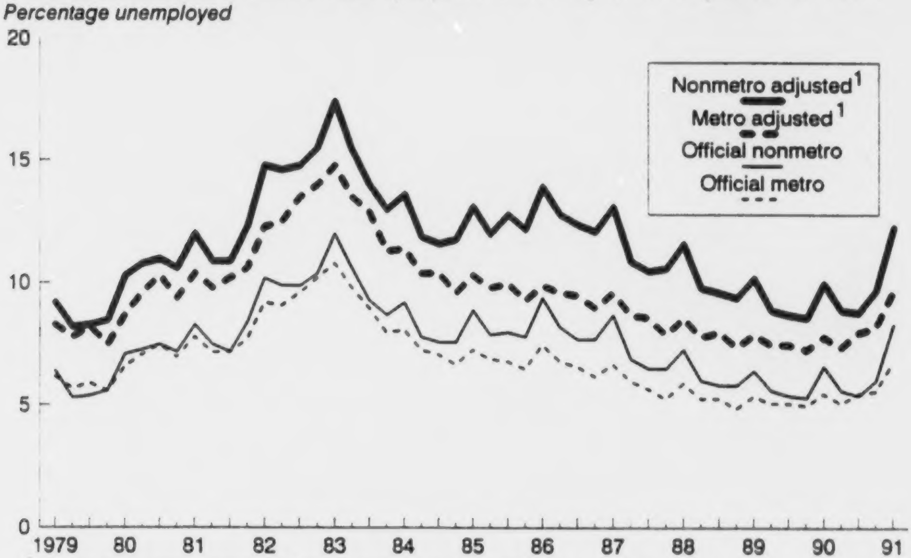
**Rural unemployment is likely to remain high in 1991, although some indicators suggest the current recession may have bottomed out. Unemployment rates generally recede more slowly in a recovery than they increase in the preceding economic downturn. Lower unemployment rates will come slowly to rural workers.** ***[Timothy S. Parker, 202/219-0540.]***

## Nonmetro unemployment swells

### Both nonmetro and metro unemployment shot up in first quarter of 1991

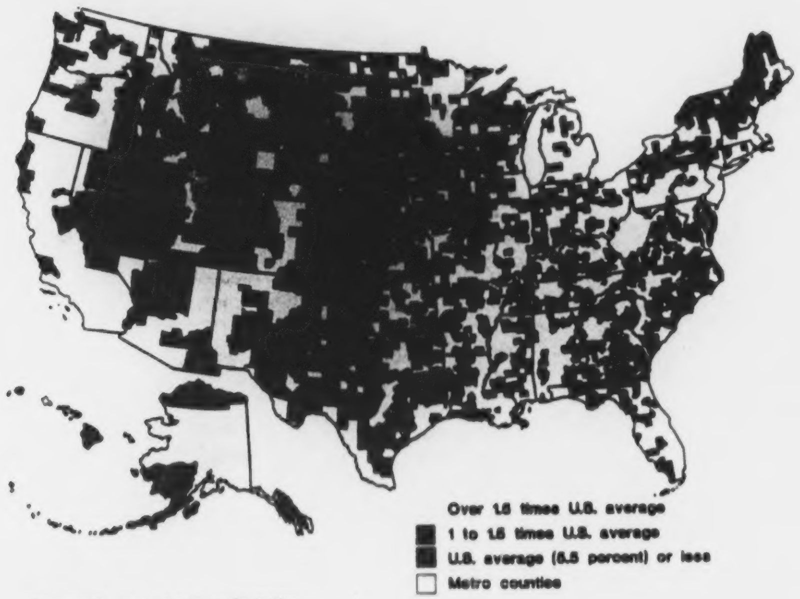


[1] Includes discouraged workers and half of workers employed part-time for economic reasons.

Source: Current Population Survey.

## Nonmetro unemployment, 1990

### High nonmetro unemployment found in all regions


Over 1.5 times U.S. average
1 to 1.5 times U.S. average
U.S. average (5.5 percent) or less
Metro counties

Source: Bureau of Labor Statistics.

## Data Sources

**Assessing the changing conditions and trends in rural America is complicated by the need to use a variety of data sources for monitoring demographic and economic patterns. Because different sources of data are intended for different purposes and employ different definitions and collection methods, they sometimes produce contradictory statistics and may lead to different interpretations. Describing rural conditions, therefore, necessitates piecing together general trends from many sources of information, not all of which are used each issue.**

**Macroeconomic conditions:** The economic indicators used to monitor macroeconomic changes in the U.S. economy are derived from Federal sources. Measures of inflation, including the Consumer and Producer Price Indexes, and employment and unemployment data are developed by the U.S. Department of Labor's Bureau of Labor Statistics (BLS). National income and product account information on capital investment, gross national product, and net exports is produced by the Bureau of Economic Analysis (BEA), U.S. Department of Commerce. Information relating to monetary policy, including changes in interest rates and foreign exchange rates, and data on industrial production are furnished by the Federal Reserve Board of Governors.

**Employment and unemployment:** Data on nonmetro employment and unemployment come from two sources. The monthly Current Population Survey (CPS), conducted by the Bureau of the Census for the U.S. Department of Labor, provides detailed information on the labor force, employment, unemployment, and demographic characteristics of the metro and nonmetro population. CPS derives estimates based on a national sample of about 58,000 households that are representative of the U.S. civilian noninstitutional population 16 years of age and over. Labor force information is based on respondents' activity during 1 week each month.

BLS county-level employment data are taken from unemployment insurance claims and State surveys of establishment payrolls which are then benchmarked to State totals from the CPS. Thus, at the national and State levels, annual average BLS and CPS estimates are the same. The BLS data series provides monthly estimates of labor force, employment, and unemployment for individual counties.

Each of these data sets has its advantages and disadvantages. CPS furnishes detailed employment, unemployment, and demographic data for metro and nonmetro portions of the Nation. BLS provides less detailed employment data than CPS, but offers very current employment and unemployment information at the county level. While these data sources are likely to provide different estimates of employment conditions at any point in time, they generally indicate similar trends.

## Definitions

Throughout ***Rural Conditions and Trends***, we use "rural" and "nonmetro" interchangeably. The same holds for "urban" and "metro." However, in tables we use "nonmetro" and "metro," the original and more accurate terms used in the data sources.

**Adjusted unemployment rate:** The number of unemployed people, discouraged workers who have given up looking for work, and half of the workers who work part-time but want full-time work as a percentage of the civilian labor force plus discouraged workers.

**Civilian labor force:** Noninstitutional civilians aged 16 or older who are either employed or unemployed. Individuals who are neither employed nor unemployed are out of the labor force.

**Consumer Price Index (CPI):** A measure of the average price level of a basket of consumer goods and services at the retail level for a specific period compared against a benchmark period.

**County type classification:** A recently updated USDA classification of nonmetro counties by principal economic activitiy or demographic base. The categories used in this issue are as follows:

Farming-dependent—counties where farming accounted for a weighted annual average of 20 percent or more of total labor and proprietor income (TLPI) in 1981, 1982, 1984, 1985, and 1986.
Manufacturing-dependent—counties where manufacturing contributed 30 percent of more of TLPI in 1986.
Mining-dependent—counties where mining contributed 20 percent or more to TLPI in 1986.
Retirement-destination—counties where the net inmigration rates of people aged 60 and over were 15 percent or more of the expected 1980 population aged 60 and over for the period 1970-80.

For further information, see Thomas F. Hady and Peggy J. Ross, ***An Update: The Diverse Social and Economic Structure of Nonmetro America***, AGES 9036, U.S. Department of Agriculture, Economic Research Service, June 1990.

**Foreign exchange rate:** The rate at which one currency is traded for another. The Federal Reserve publishes a measure of the overall foreign exchange rate of the U.S. dollar based on the rates of the 10 major U.S. trading partners.

**Gross national product (GNP):** The dollar amount of final goods and services produced by the United States. GNP is the sum of consumer spending, Federal Government purchases of goods and services, business investment, and exports less the amount of imports. This statistic is reported quarterly but is revised in each of the 2 months following the initial release. Nominal GNP measures final goods and services at current prices. Real GNP measures final goods and services in 1982 prices to adjust for inflation.

**Inflation rate:** The percentage change in a measure of the average price level. Changes are reported on a monthly basis and are stated as annual rates for longer term comparisons. The two major measures of the average price level are the Consumer and Producer Price Indexes.

**Labor force participation rate:** The civilian labor force as a percentage of the civilian noninstitutional population 16 and older.

**Metro areas:** Metropolitan Statistical Areas (MSA's), as defined by the Office of Management and Budget, include core counties containing a city of 50,000 or more people and a total area population of at least 100,000. Additional contiguous counties are included in the MSA if they are economically and socially integrated with the core county. Metro areas are divided into central cities and areas outside central cities (suburbs). Throughout this publication, urban and metro have been used interchangeably to refer to people and places within MSA's.

**Nonmetro areas:** Counties outside metro area boundaries. Throughout this publication, rural and nonmetro are used interchangeably to refer to people and places outside of MSA's.

**Nonmetro county rural-urban continuum classification:** A classification that distinguishes among nonmetro counties by degree of urbanization and proximity to metro areas. The categories are as follows:

Urban adjacent—aggregate urban population (people living in places of 2,500 or more) of 20,000 or more, adjacent to a metro area.
Urban nonadjacent—urban population of 20,000 or more, not adjacent to a metro area.
Less urban adjacent—urban population of 2,500 to 19,999, adjacent to a metro area.
Less urban nonadjacent—urban population of 2,500 to 19,999, not adjacent to a metro area.
Rural adjacent—completely rural (county contains no place of 2,500 or more population), adjacent to a metro area.
Rural nonadjacent—completely rural, not adjacent to a metro area.

This nonmetro classification is part of a larger classification that also groups metro areas by size. For further information, see Margaret A. Butler, ***Rural-Urban Continuum Codes for Metro and Nonmetro Counties***, AGES 9028, U.S. Department of Agriculture, Economic Research Service, April 1990.

**Nonmetro minority counties:** A classification of nonmetro counties by race and ethnicity. Minority counties are nonmetro counties in which 25 percent or more of the total population in 1990 belonged to a single minority group—Black, Hispanic, or Native American. The groups are as follows:

Black—332 nonmetro counties in which 63.1 percent of all nonmetro Blacks lived in 1990.
Hispanic—123 nonmetro counties in which 51.1 percent of all nonmetro Hispanics lived in 1990.
Native American—44 nonmetro counties in which 41.3 percent of all nonmetro Native Americans (American Indians, Eskimos, and Aleuts) lived in 1990.

**Producer Price Index:** A measure of the average price received by producers of finished goods at the wholesale level during a specific period compared against a benchmark period.

**Unemployment rate:** The number of unemployed people 16 years and older as a percentage of the civilian labor force 16 years and older.

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## Appendix table 1—Nonmetro employment: Quarterly and annual averages

| Year/quarter | Labor force | Labor force participation | Employment | Unemployment | Unemployment rate | Adjusted unemployment rate[1] |
|---|---|---|---|---|---|---|
| | *Thousands* | *Percent* | *Thousands* | *Thousands* | *Percent* | *Percent* |
| 1991: | | | | | | |
| 1st | 26,049 | 61.9 | 23,898 | 2,151 | 8.3 | 12.3 |
| 1990: | | | | | | |
| 4th | 26,361 | 62.6 | 24,776 | 1,585 | 6.0 | 9.7 |
| 3rd | 26,607 | 63.2 | 25,158 | 1,450 | 5.4 | 8.8 |
| 2nd | 26,417 | 63.2 | 24,934 | 1,483 | 5.6 | 8.9 |
| 1st | 25,893 | 62.2 | 24,196 | 1,697 | 6.6 | 10.0 |
| 1989: | | | | | | |
| 4th | 26,168 | 62.8 | 24,778 | 1,390 | 5.3 | 8.6 |
| 3rd | 26,783 | 64.1 | 25,323 | 1,459 | 5.4 | 8.7 |
| 2nd | 26,389 | 63.5 | 24,919 | 1,470 | 5.6 | 8.9 |
| 1st | 25,441 | 62.2 | 23,807 | 1,634 | 6.4 | 10.2 |
| 1988: | | | | | | |
| 4th | 25,510 | 62.8 | 24,042 | 1,469 | 5.8 | 9.4 |
| 3rd | 25,793 | 63.2 | 24,294 | 1,499 | 5.8 | 9.6 |
| 2nd | 25,513 | 62.4 | 23,978 | 1,535 | 6.0 | 9.8 |
| 1st | 24,819 | 61.2 | 22,996 | 1,823 | 7.3 | 11.6 |
| 1987: | | | | | | |
| 4th | 25,087 | 62.3 | 23,449 | 1,638 | 6.5 | 10.6 |
| 3rd | 25,277 | 62.9 | 23,634 | 1,643 | 6.5 | 10.5 |
| 2nd | 25,186 | 62.2 | 23,437 | 1,749 | 6.9 | 10.9 |
| 1st | 24,856 | 61.0 | 22,688 | 2,167 | 8.7 | 13.1 |
| 1990 | 26,319 | 62.8 | 24,766 | 1,554 | 5.9 | 9.4 |
| 1989 | 26,209 | 63.2 | 24,718 | 1,491 | 5.7 | 9.1 |
| 1988 | 25,409 | 62.4 | 23,827 | 1,582 | 6.2 | 10.1 |
| 1987 | 25,101 | 62.1 | 23,302 | 1,799 | 7.2 | 11.3 |
| 1986 | 25,171 | 61.9 | 23,091 | 2,080 | 8.3 | 12.8 |
| 1985 | 24,781 | 61.2 | 22,700 | 2,081 | 8.4 | 13.0 |
| 1984 | 34,725 | 62.1 | 31,930 | 2,796 | 8.1 | 12.2 |
| 1983 | 34,156 | 61.8 | 30,696 | 3,460 | 10.1 | 14.9 |
| 1982 | 33,740 | 61.7 | 30,335 | 3,405 | 10.1 | 14.9 |
| 1981 | 33,092 | 61.9 | 30,488 | 2,603 | 7.9 | 11.5 |
| 1980 | 32,512 | 61.7 | 30,150 | 2,362 | 7.3 | 10.7 |
| 1979 | 31,716 | 61.5 | 29,916 | 1,800 | 5.7 | 8.5 |

Note: Beginning in 1985, estimation procedures for the Current Population Survey are based on the 1980 Census. That change accounts for the large drop in the nonmetro labor force between 1984 and 1985.

[1] Unemployment rate adjusted to include discouraged workers and half of the workers employed part-time for economic reasons.

Source: Bureau of the Census, Current Population Survey.

## Appendix table 2—Metro employment: Quarterly and annual averages

| Year/quarter | Labor force | Labor force participation | Employment | Unemployment | Unemployment rate | Adjusted unemployment rate[1] |
|---|---|---|---|---|---|---|
| | *Thousands* | *Percent* | *Thousands* | | *Percent* | |
| 1991: | | | | | | |
| 1st | 97,984 | 66.6 | 91,362 | 6,622 | 6.8 | 9.7 |
| 1990: | | | | | | |
| 4th | 98,463 | 67.2 | 92,956 | 5,507 | 5.6 | 8.2 |
| 3rd | 99,290 | 67.9 | 93,872 | 5,417 | 5.5 | 8.0 |
| 2nd | 98,504 | 67.4 | 93,480 | 5,024 | 5.1 | 7.4 |
| 1st | 97,615 | 67.0 | 92,283 | 5,332 | 5.5 | 7.8 |
| 1989: | | | | | | |
| 4th | 98,191 | 67.5 | 93,242 | 4,949 | 5.0 | 7.3 |
| 3rd | 98,373 | 67.9 | 93,366 | 5,007 | 5.1 | 7.5 |
| 2nd | 97,391 | 67.4 | 92,449 | 4,942 | 5.1 | 7.5 |
| 1st | 96,633 | 66.7 | 91,411 | 5,223 | 5.4 | 7.9 |
| 1988: | | | | | | |
| 4th | 96,886 | 67.0 | 92,139 | 4,748 | 4.9 | 7.4 |
| 3rd | 97,249 | 67.5 | 92,132 | 5,117 | 5.3 | 8.0 |
| 2nd | 95,843 | 66.8 | 90,801 | 5,042 | 5.3 | 7.8 |
| 1st | 95,061 | 66.3 | 89,492 | 5,569 | 5.9 | 8.6 |
| 1987: | | | | | | |
| 4th | 95,433 | 66.6 | 90,347 | 5,086 | 5.3 | 7.9 |
| 3rd | 95,924 | 67.2 | 90,434 | 5,490 | 5.7 | 8.6 |
| 2nd | 94,546 | 66.6 | 88,869 | 5,677 | 6.0 | 8.7 |
| 1st | 93,152 | 65.9 | 86,904 | 6,249 | 6.7 | 9.6 |
| 1990 | 98,468 | 67.4 | 93,148 | 5,320 | 5.4 | 7.9 |
| 1989 | 97,660 | 67.4 | 92,624 | 5,036 | 5.2 | 7.5 |
| 1988 | 96,260 | 66.9 | 91,141 | 5,119 | 5.3 | 7.9 |
| 1987 | 94,764 | 66.6 | 89,138 | 5,625 | 5.9 | 8.7 |
| 1986 | 92,665 | 66.2 | 86,508 | 6,157 | 6.6 | 9.5 |
| 1985 | 90,684 | 65.9 | 84,453 | 6,231 | 6.9 | 9.9 |
| 1984 | 78,819 | 65.4 | 73,076 | 5,743 | 7.3 | 10.4 |
| 1983 | 77,394 | 65.1 | 70,137 | 7,257 | 9.4 | 13.1 |
| 1982 | 76,465 | 65.1 | 69,192 | 7,273 | 9.5 | 13.1 |
| 1981 | 73,301 | 64.9 | 67,825 | 5,476 | 7.5 | 10.3 |
| 1980 | 72,207 | 64.8 | 67,120 | 5,087 | 7.0 | 9.5 |
| 1979 | 71,192 | 64.7 | 67,029 | 4,163 | 5.8 | 8.0 |

Note: Beginning in 1985, estimation procedures for the Current Population Survey are based on the 1980 Census.

[1] Unemployment rate adjusted to include discouraged workers and half of the workers employed part-time for economic reasons.

Source: Bureau of the Census, Current Population Survey.

## Appendix table 3—Average unemployment rates for nonmetro county groups

| Item | 1979 | 1982 | 1988 | 1989 | 1990 |
|---|---|---|---|---|---|
| | | | *Percent* | | |
| U.S. total | 5.8 | 9.7 | 5.5 | 5.3 | 5.5 |
| Metro | 5.7 | 9.3 | 5.1 | 5.0 | 5.2 |
| Nonmetro | 6.1 | 11.1 | 6.9 | 6.4 | 6.5 |
| Region: | | | | | |
| Northeast | 7.0 | 10.5 | 4.8 | 5.2 | 6.1 |
| Midwest | 5.5 | 10.8 | 6.3 | 5.9 | 6.1 |
| South | 6.1 | 11.1 | 7.5 | 6.8 | 6.7 |
| West | 7.3 | 12.0 | 8.0 | 7.4 | 7.1 |
| County type: | | | | | |
| Farming | 5.5 | 9.6 | 6.8 | 6.5 | 6.2 |
| Manufacturing | 6.4 | 12.5 | 6.5 | 6.3 | 6.7 |
| Mining | 6.1 | 11.4 | 9.9 | 8.6 | 7.7 |
| Retirement | 6.6 | 11.3 | 6.8 | 6.5 | 6.7 |
| Urban-rural continuum codes: | | | | | |
| Adjacent | 6.2 | 11.4 | 6.6 | 6.2 | 6.5 |
| Urban | 6.4 | 11.7 | 6.2 | 5.9 | 6.2 |
| Less urban | 6.1 | 11.3 | 6.9 | 6.5 | 6.6 |
| Rural | 6.3 | 11.0 | 7.0 | 6.5 | 6.7 |
| Nonadjacent | 6.1 | 10.7 | 7.1 | 6.6 | 6.5 |
| Urban | 6.4 | 11.7 | 6.2 | 5.9 | 6.4 |
| Less urban | 6.0 | 10.8 | 7.1 | 6.6 | 6.6 |
| Rural | 5.9 | 10.2 | 7.1 | 6.5 | 6.5 |
| Minority counties: | | | | | |
| Black | 6.5 | 11.7 | 7.9 | 7.1 | 7.0 |
| Hispanic | 7.5 | 11.5 | 10.5 | 9.9 | 9.4 |
| Native American | 7.8 | 12.7 | 10.0 | 8.4 | 8.7 |

Source: Bureau of Labor Statistics.

## Appendix table 4—Annual average employment change

| Item | 1979-86 | 1986-90 | 1989-90 |
|---|---|---|---|
| | | *Percent* | |
| U.S. total | 10.9 | 7.5 | 0.5 |
| Metro | 12.9 | 7.6 | .4 |
| Nonmetro | 3.8 | 7.3 | .8 |
| Region: | | | |
| Northeast | 8.9 | 8.2 | .6 |
| Midwest | -2.8 | 6.1 | .5 |
| South | 6.3 | 7.2 | .9 |
| West | 9.0 | 9.8 | 1.3 |
| County type: | | | |
| Farming | -3.4 | 3.9 | .4 |
| Manufacturing | 2.9 | 7.0 | .3 |
| Mining | -9.6 | 1.4 | 1.9 |
| Retirement | 17.8 | 12.1 | 1.5 |
| Urban-rural continuum codes: | | | |
| Adjacent | 6.1 | 7.7 | .5 |
| Urban | 7.9 | 8.2 | .7 |
| Less urban | 4.5 | 7.2 | .5 |
| Rural | 7.9 | 8.9 | .5 |
| Nonadjacent | 1.7 | 6.9 | 1.0 |
| Urban | 4.4 | 7.7 | 1.1 |
| Less urban | .5 | 6.6 | .9 |
| Rural | .3 | 6.1 | 1.4 |

Source: Bureau of Labor Statistics.

## Appendix table 5—Nonmetro employment and unemployment

| State | Annual averages |  |  |  |
|---|---|---|---|---|
|  | Employment change |  | Unemployment rate |  |
|  | 1988-89 | 1989-90 | 1989 | 1990 |
|  | *Percent* |  |  |  |
| Alabama | 2.3 | -1.4 | 8.1 | 8.1 |
| Alaska | 5.5 | .1 | 8.1 | 8.5 |
| Arizona | 7.3 | 1.8 | 9.0 | 9.7 |
| Arkansas | 3.1 | .4 | 7.8 | 7.5 |
| California | 3.6 | -1.6 | 9.4 | 9.4 |
| Colorado | -.3 | 7.8 | 6.7 | 5.7 |
| Connecticut | .7 | 1.2 | 4.2 | 5.9 |
| Delaware | 2.4 | -.3 | 4.1 | 5.5 |
| Florida | 3.3 | 4.3 | 6.1 | 6.9 |
| Georgia | 2.2 | -.4 | 6.2 | 6.2 |
| Hawaii | 4.8 | 5.6 | 3.2 | 3.4 |
| Idaho | 2.1 | .1 | 5.6 | 6.5 |
| Illinois | 4.7 | -.4 | 7.9 | 7.8 |
| Indiana | 3.0 | -2.1 | 5.3 | 6.2 |
| Iowa | .6 | -1.3 | 4.4 | 4.4 |
| Kansas | .4 | .8 | 4.0 | 4.3 |
| Kentucky | 3.0 | 2.9 | 7.4 | 7.0 |
| Louisiana | 2.9 | 1.3 | 9.9 | 7.6 |
| Maine | 2.9 | 2.8 | 4.5 | 5.5 |
| Maryland | 4.8 | .1 | 5.2 | 6.4 |
| Massachusetts | 1.3 | -2.2 | 4.5 | 6.8 |
| Michigan | 2.4 | 1.3 | 8.3 | 8.9 |
| Minnesota | -.3 | 5.0 | 5.3 | 5.8 |
| Mississippi | 3.4 | 1.8 | 8.5 | 8.2 |
| Missouri | 2.0 | 1.1 | 6.4 | 6.7 |
| Montana | .4 | -2.5 | 6.1 | 6.0 |
| Nebraska | -.7 | 4.1 | 3.2 | 2.2 |
| Nevada | 2.4 | -.6 | 5.4 | 5.2 |
| New Hampshire | 2.3 | 2.2 | 3.0 | 5.2 |
| New Mexico | 3.1 | 1.4 | 7.6 | 7.1 |
| New York | 2.0 | .9 | 6.2 | 5.5 |
| North Carolina | 1.9 | 0 | 4.1 | 5.0 |
| North Dakota | -1.0 | -2.3 | 5.0 | 4.7 |
| Ohio | 1.9 | .3 | 6.8 | 7.2 |
| Oklahoma | 0 | 2.3 | 6.3 | 5.9 |
| Oregon | 3.0 | .8 | 7.4 | 7.2 |
| Pennsylvania | 2.4 | -.1 | 5.9 | 7.2 |
| Rhode Island | -2.4 | -5.6 | 3.8 | 6.1 |
| South Carolina | 2.4 | .1 | 6.1 | 6.2 |
| South Dakota | .9 | -.3 | 4.3 | 3.8 |
| Tennessee | 3.8 | 1.6 | 6.4 | 6.9 |
| Texas | -.4 | -.5 | 7.2 | 6.3 |
| Utah | 4.6 | -.1 | 5.7 | 5.3 |
| Vermont | .9 | -.7 | 3.9 | 5.4 |
| Virginia | 1.9 | 2.0 | 5.7 | 6.3 |
| Washington | 5.2 | 3.3 | 8.5 | 7.1 |
| West Virginia | 5.5 | .9 | 9.7 | 9.4 |
| Wisconsin | 1.6 | .1 | 5.2 | 5.2 |
| Wyoming | .5 | 4.0 | 6.2 | 5.2 |

Note: There are no nonmetro counties in the District of Columbia or New Jersey.
Source: Bureau of Labor Statistics.

## Appendix table 6—Metro employment and unemployment

| State | Annual averages | | | |
|---|---|---|---|---|
| | Employment change | | Unemployment rate | |
| | 1988-89 | 1989-90 | 1989 | 1990 |
| | | Percent | | |
| Alabama | 1.8 | 0 | 6.5 | 6.0 |
| Alaska | 2.2 | 2.6 | 5.1 | 5.2 |
| Arizona | 3.2 | .9 | 4.3 | 4.3 |
| Arkansas | 2.4 | .1 | 6.5 | 6.1 |
| California | 2.9 | .6 | 4.9 | 5.4 |
| Colorado | 0 | 3.8 | 5.6 | 4.8 |
| Connecticut | .5 | 0 | 3.6 | 5.0 |
| Delaware | 3.6 | -2.0 | 3.4 | 5.1 |
| District of Columbia | -5.1 | -7.0 | 5.1 | 6.7 |
| Florida | 1.0 | 2.3 | 5.6 | 5.8 |
| Georgia | 1.4 | 1.3 | 5.2 | 5.1 |
| Hawaii | .7 | 1.4 | 2.2 | 2.6 |
| Idaho | 5.4 | 2.3 | 3.4 | 3.8 |
| Illinois | 4.4 | .1 | 5.6 | 5.8 |
| Indiana | 3.3 | -2.3 | 4.5 | 4.9 |
| Iowa | 1.5 | -.7 | 4.2 | 4.0 |
| Kansas | 1.5 | .8 | 4.1 | 4.5 |
| Kentucky | 4.0 | .8 | 5.1 | 4.7 |
| Louisiana | 2.3 | .3 | 7.2 | 5.8 |
| Maine | 2.2 | 1.3 | 3.4 | 4.7 |
| Maryland | 3.7 | -.6 | 3.6 | 4.5 |
| Massachusetts | 0 | -2.5 | 4.0 | 5.9 |
| Michigan | 1.5 | -.3 | 6.8 | 7.2 |
| Minnesota | .6 | .9 | 3.9 | 4.4 |
| Mississippi | 1.8 | 1.7 | 6.3 | 5.8 |
| Missouri | .6 | .2 | 5.1 | 5.3 |
| Montana | 5.4 | 5.4 | 5.2 | 4.9 |
| Nebraska | .2 | 4.5 | 3.0 | 2.1 |
| Nevada | 3.4 | 5.0 | 4.9 | 4.9 |
| New Hampshire | .3 | .2 | 3.7 | 6.0 |
| New Jersey | .1 | .5 | 4.1 | 5.0 |
| New Mexico | 1.9 | .1 | 5.4 | 5.3 |
| New York | .8 | -.3 | 5.0 | 5.2 |
| North Carolina | 2.6 | -.5 | 3.1 | 3.4 |
| North Dakota | 2.0 | -.7 | 3.2 | 3.1 |
| Ohio | 2.5 | .1 | 5.2 | 5.3 |
| Oklahoma | 1.8 | .4 | 5.1 | 5.4 |
| Oregon | 3.8 | 1.5 | 5.0 | 4.8 |
| Pennsylvania | 2.2 | -.2 | 4.3 | 5.1 |
| Rhode Island | -.8 | -4.5 | 4.0 | 6.8 |
| South Carolina | 1.5 | 2.7 | 3.9 | 3.8 |
| South Dakota | .8 | 2.7 | 3.6 | 2.7 |
| Tennessee | 1.2 | .9 | 4.5 | 4.4 |
| Texas | 1.9 | 1.1 | 6.6 | 6.1 |
| Utah | 4.1 | 1.0 | 4.4 | 4.0 |
| Vermont | 4.0 | -.5 | 2.7 | 3.4 |
| Virginia | 1.3 | 1.0 | 3.3 | 3.6 |
| Washington | 6.0 | 3.6 | 5.7 | 4.4 |
| West Virginia | 5.3 | 1.1 | 6.9 | 6.5 |
| Wisconsin | 1.4 | -1.4 | 4.0 | 4.0 |
| Wyoming | 0 | 4.3 | 6.9 | 5.8 |

Source: Bureau of Labor Statistics.

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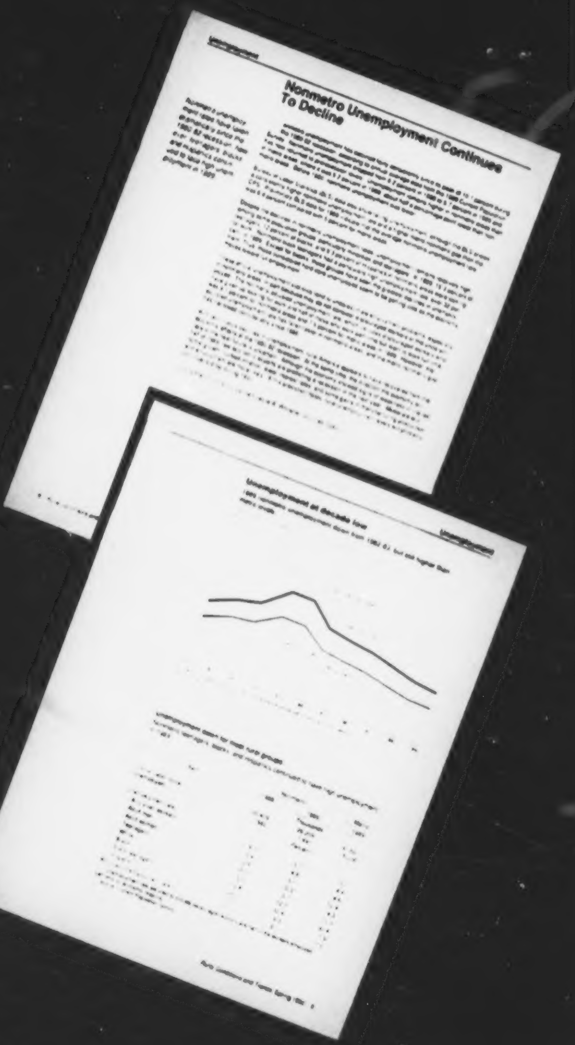

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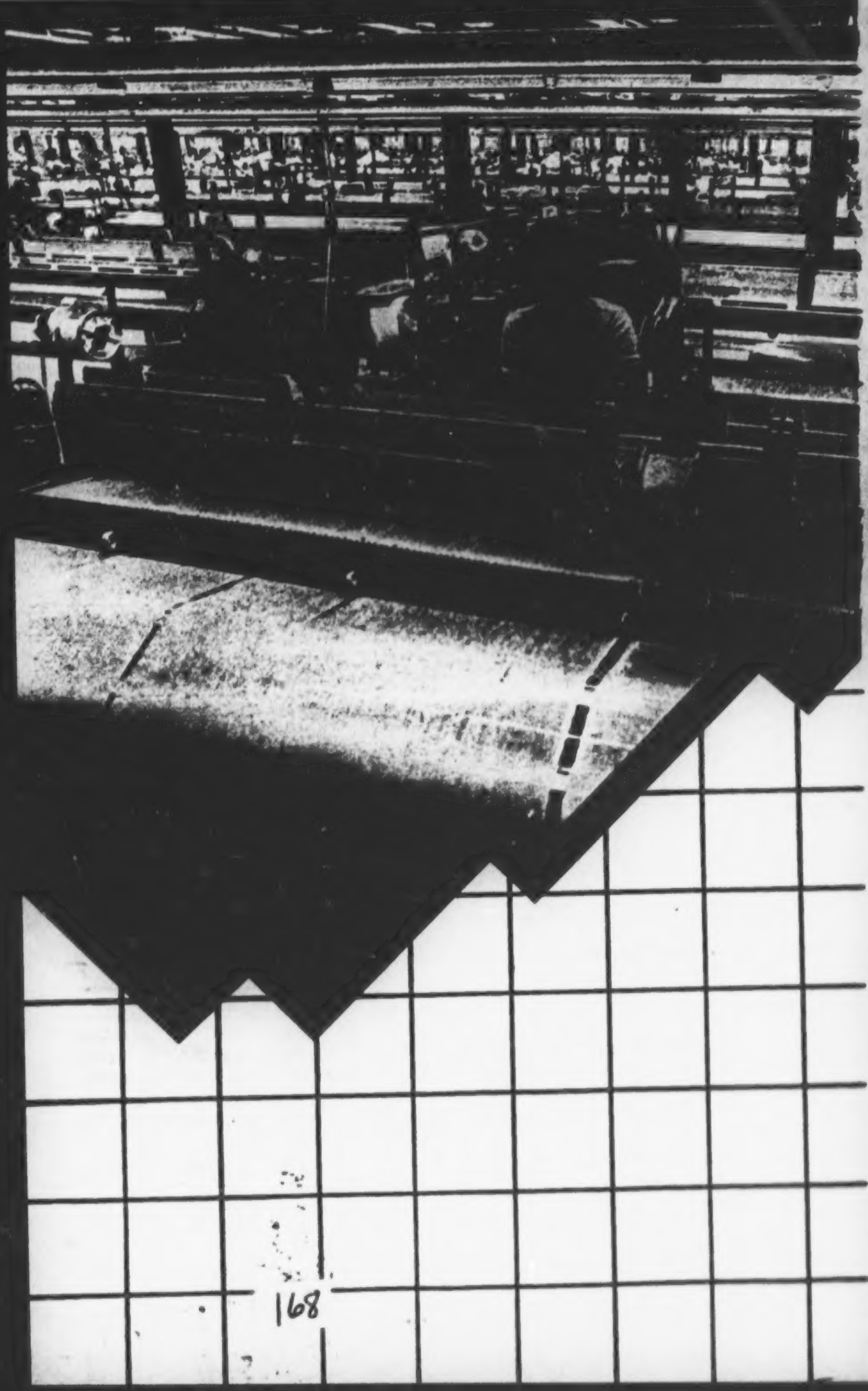

Rural areas no harder hit by recession than urban areas

Recent manufacturing growth looks good for rural America

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# Recession Hit Rural Areas No Harder than Urban

*Rural and urban areas experienced about the same rates of declining employment and increasing unemployment during the latest recession. Recent national growth in manufacturing is a hopeful sign for rural recovery.*

Although national economic indicators are mixed, the recession seems to have ended sometime this spring. During the summer months, industrial production, average hours worked in manufacturing per week, and the Bureau of Economic Analysis' index of leading indicators rose while inflation moderated and short-term interest rates fell, all indications that the recovery may be gaining momentum. However, a slight drop in real gross national product in the second quarter and a fall off in new housing sales in July are continuing sources of concern for some analysts. Also, long-term interest rates have fallen somewhat but still remain high, reflecting doubt in the financial sector that inflation will remain low for an extended period.

The availability of information on employment and unemployment in rural and urban areas lags the national economic indicators by several months. The most recent rural and urban data show similar declines in employment during the latest recession, indicating that the recession had no greater effect on rural than on urban areas. From the first half of 1990 to the first half of 1991, employment declined 1.1 percent in rural areas compared with 1.0 percent in urban areas. (First-half employment is calculated by averaging the number employed each month, January through June.) Unemployment increases were also comparable, 1.5 percentage points in rural areas and 1.4 percentage points in urban areas. These similarities may mean that rural areas will have no greater difficulty recovering from the recession. During the 1981-82 recession, rural areas sustained deeper cuts in employment and a steeper rise in unemployment than urban areas. Rural areas also took longer than urban areas to recover.

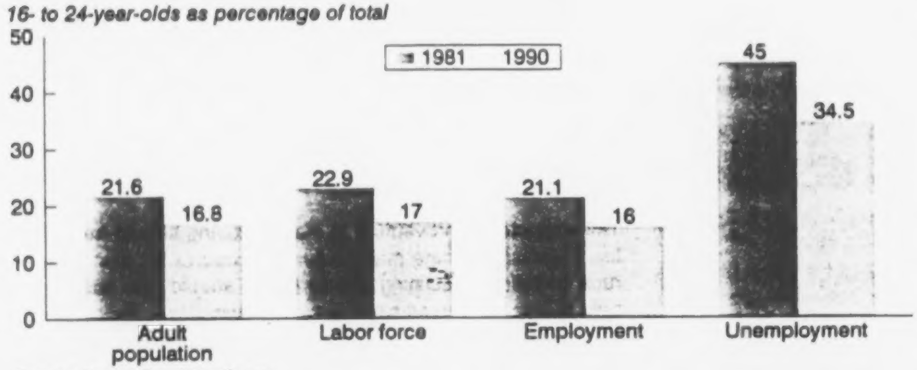
In both rural and urban areas, increases in unemployment due to the recent recession were moderated by the small number of workers entering the labor force. Slow growth in the labor force along with moderate employment declines put less pressure on unemployment. At the time of the previous recession, large numbers of baby boomers entering their working years contributed to an increasing labor force even while employment opportunities shrank. The chart below illustrates the decline in the young's labor force share between the two recessions.

The recent recession was less concentrated in rural areas because sectors other than manufacturing sustained a larger share of job losses this time. Manufacturing accounted for less than half of the jobs lost between July 1990 and July 1991. In contrast, manufacturing accounted for nearly three-quarters of the jobs lost during the 1981-82 recession. Construction, wholesale and retail trade, and finance, insurance, and real estate bore more of the job losses this time. These sectors account for a smaller share of rural than urban jobs, explaining why the latest recession's effects were more evenly distributed.

National growth in manufacturing employment over the past few months is a hopeful sign for rural recovery. Rural areas depend on manufacturing for a larger proportion of jobs (17.5 percent of rural jobs compared with 14 percent of urban jobs in 1989), particularly in the Southeastern States (23 percent of rural jobs compared with 12.3 percent of urban jobs). National increases in manufacturing employment and hours worked suggest that rural areas may be benefiting from this trend in the early stage of the recovery. *[Linda M. Ghelfi, 202/219-0547.]*

**The young in the labor force**

**Young adults played smaller role in latest recession**



Source: Current Population Survey.

# Recovery Gains Ground

*Since the second quarter, when the recession probably ended, production and income have risen and employment has remained stable. The prospect is for continued moderate growth and slowly receding unemployment.*

The economy recovered slowly during the summer. Although real gross national product (GNP) fell slightly in the second quarter, the number of nonfarm payroll jobs increased slightly, and the unemployment rate dropped. Interest rates remained low and inflation subsided. For the rest of this year and 1992, the administration and the Congressional Budget Office forecast accelerating GNP growth, continued moderate inflation, and steady improvement in the jobs picture.

### Production Recovers While Employment Remains Stable

Production has shown steady gains since the spring. From March through August, industrial production rose about 7.5 percent at an annual rate, compared with a 2.6-percent rise in 1989, before the latest recession. Despite the recent increases, production remains more than 2 percent below its recent peak in September 1990. Factory capacity use has risen with rising production, but at 78.7 percent for August is also well below the 83.9-percent average of 1989.

Overall employment data have improved much less than production. The number of nonfarm payroll jobs in August was a slight 0.1 percent above the April level, but well below the July 1990 level. The recovery in jobs has been uneven across industries, just as job losses were uneven during the recession. Construction and manufacturing were especially hard hit during the recession. Since April, manufacturing jobs have increased slightly faster than jobs in most other industries, but overall job gains have been small.

Unemployment has generally declined since the second quarter. In August, the overall rate was 6.8 percent, down from 7.0 percent in June. Even so, unemployment remains higher than the 5.3-percent average rate throughout 1989 and the first half of 1990.

### Inflation Subsides

Falling energy prices continued to contribute to slowing overall inflation during the summer. Overall consumer prices rose at a 2.2-percent annual rate in the 6 months ending in August, down from 5.4 percent in the previous 6 months. The recent recession has also generated excess capacity, alleviating some of the pressure on prices to increase. For example, consumer prices excluding food and energy prices, one way to isolate inflation tendencies, rose at a 3.3-percent annual rate in the 6 months ending in August. Those prices rose at about a 5.9-percent annual rate in the previous 6 months.

### Interest Rate Movements Mixed

Weak economic activity, slowing inflation, and Federal Reserve policy aimed at promoting growth all contributed to substantial declines in interest rates since the beginning of the year. Short-term rates fell substantially in the early part of the year, remained relatively flat from May through most of August, and then fell again in late August and early September. Long-term rates initially fell much less than short-term rates, probably because there were concerns about higher inflation accompanying the recovery. Modest inflation in August and the relatively slow pace of recovery brought long-term rates down in August and September. If inflation remains moderate, long-term rates could continue to fall, even though short-term rates could rise as the recovery strengthens.

### Recovery Expected To Continue

With relatively low interest rates, and with consumer spending and income beginning to increase, the recovery appears likely to strengthen as the year progresses. Both the administration and the Congressional Budget Office forecast real GNP growth above 3 percent for 1992. Some of the growth in business production and employment is expected to be directed at rebuilding inventories, which have been slashed over the last year. Barring an unforeseen jump in oil or food prices, the slack that the recession created in the economy should translate into modest inflation over the next several months. The jobs picture will improve in this environment, with a significant gain likely in manufacturing.

### Implications for Rural Areas

The expected improvement in manufacturing should help rural areas, especially those east of the Mississippi where manufacturing accounts for much of the income and employment in many rural counties. Declining energy prices should also contribute to these counties' recovery and help nudge rural unemployment rates down.

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Many rural areas engage in agricultural or manufacturing production for the world market, making the export outlook especially important to rural areas. Analysts predict that world growth will rebound in 1992. Trading partners that went into a recession, such as Canada and the United Kingdom, are expected to recover while Japan and Germany are expected to maintain relatively solid growth. Recent increases in the value of the dollar, which have brought the dollar back to its early 1990 level, are not expected to substantially hurt export growth in the coming year. *[Analysis reflects data as of September 17, 1991. Karen Hamrick and R. M. Monaco, 202/219-0782.]*

## Annual change in employment by industry

**Employment by industry has recently stabilized**

| Industry | July 1989-July 1990 | July 1990-July 1991[1] | April 1991-August 1991[1] |
|---|---|---|---|
| | *Annual percentage change in jobs[2]* | | |
| Total | 1.4 | -1.3 | 0.3 |
| Private sector | .9 | -1.5 | .6 |
| Goods-producing industries | -2.5 | -4.9 | .3 |
| Construction | -3.2 | -8.9 | -.7 |
| Manufacturing | -2.5 | -4.0 | .8 |
| Service-producing industries | 2.6 | -.3 | .3 |
| Transportation and public utilities | 1.7 | -2.4 | .2 |
| Wholesale and retail trade | .3 | -2.0 | -.4 |
| Finance, insurance, and real estate | -1.0 | -.8 | -1.0 |
| Business and health services | 5.0 | 1.5 | 2.2 |

[1] July 1991 and August 1991 figures are preliminary.

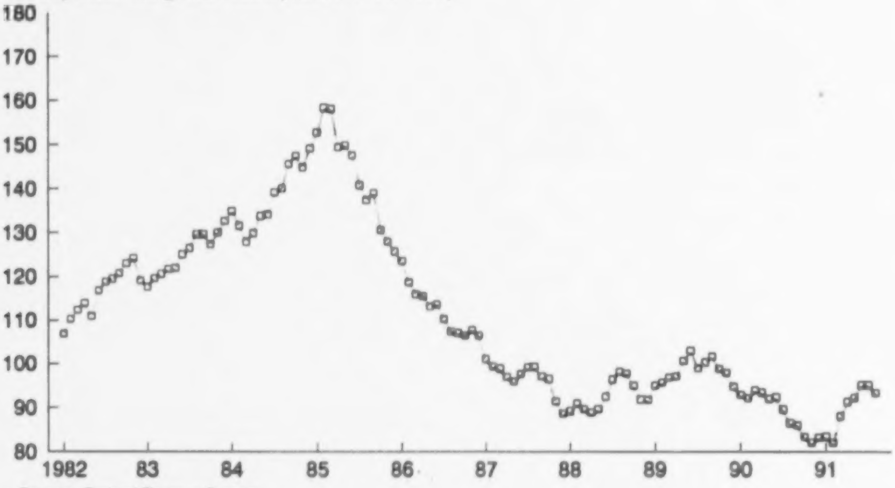
[2] Seasonally adjusted data, April-August 1991 change calculated at annual rate.

Source: Bureau of Labor Statistics.

## U.S. dollar exchange rate

**Dollar is back to its early 1990 level**

*Monthly trade-weighted value (March 1973=100)*



Source: Federal Reserve System.

# Rural Employment Down

*Rural employment fell by 280,000 workers between the first halves of 1990 and 1991, as the national recession hit rural areas. Employment declines were largest for the young, men, and Blacks. Growth of the rural labor force also slowed to a near standstill.*

The period of sustained job growth that began in 1983 ended as the national recession hit rural areas in the second half of 1990. Data for the first two quarters of this year suggest that the fall in employment may have bottomed out. A resumption of rural job growth is not yet apparent, but the available data lag hiring trends by several months.

Rural employment fell 1.1 percent between the first halves of 1990 and 1991, according to Current Population Survey (CPS) data. This decline was in line with the 1.0-percent fall in urban employment. Preliminary Bureau of Labor Statistics (BLS) county-level data also register the recessionary conditions. According to the BLS estimates, rural employment fell by 0.4 percent and urban employment fell by 1.1 percent between the first halves of 1990 and 1991.

The CPS data indicate similar employment downturns in rural and urban areas, but the BLS data suggest that rural job losses were less severe. Although the causes of this discrepancy are not well understood, the CPS estimates are probably more reliable because they are based on a nationally representative sample of workers while the BLS estimates are based on surveys of firms benchmarked to State employment estimates from the CPS. If the recent recession has in fact resulted in similar job loss rates in rural and urban areas, this compares favorably with the 1981-82 recession, when rural employment losses were relatively more severe.

### The Young, Men, Blacks Most Affected

Employment declines differed by age, sex, and race of rural workers. Between the first halves of 1990 and 1991, employment declined 4.5 percent for workers aged 16-34. By contrast, employment increased by 1.3 percent for older workers. This pattern may reflect the greater vulnerability of young, low-seniority workers to layoffs in recessionary periods.

Employment fell more for men than for women and more for Blacks than for Whites. The number of employed men fell 1.7 percent, three times the percentage decline in employed women, 0.5 percent. The number of employed Blacks fell by 3.5 percent. This loss was far larger than the 0.9-percent loss for Whites. In most rural areas, men and Blacks are more frequently employed than women and Whites in the production sector, where jobs are most likely to be lost in business downturns.

### Rural Labor Force Growth Slackens

As job growth weakened and then turned negative, growth of the rural civilian labor force slowed to a near standstill. Between 1988 and 1989, rural employment growth was strong and the rural labor force grew at a robust 3.1 percent. Rural employment growth then slowed before turning negative in the second half of 1990. In a parallel fashion, rural labor force growth has been much lower in 1990 (0.4 percent) and 1991 (0.5 percent).

Falling unemployment rates and plentiful job opportunities may coax individuals into the labor market who otherwise would not search for jobs. The process also works in reverse, with recessions discouraging potential labor force entrants. Recent trends in rural labor force growth conform to this pattern. The rapid growth in the labor force at the end of the 1980's was probably a response to vigorous job growth in many rural areas. Since 1989, employment opportunities have worsened and the growth of the rural labor force has slowed substantially.

One important difference between the most recent and the previous recession is that the labor force continued to grow during the 1981-82 period despite falling employment. Demographic factors probably accounted for this persistence. The continued labor force growth during the 1981-82 recession was because large numbers of baby-boomers continued to swell the working-age population. The steady rise in the number of persons looking for work, in turn, contributed to the very high unemployment rates of the early 1980's.

### Recovery Should Reach Rural Workers

The recent decline in employment has been broadly similar in rural and urban areas. Thus, the outlook for rural employment appears to be closely tied to that for the national economy. Just as many rural workers have felt the effects of the recession, so should many benefit from the recovery. *[Paul Swaim, 202/219-0552.]*

## Recession strikes rural labor markets

### Employment falls in first half of 1991

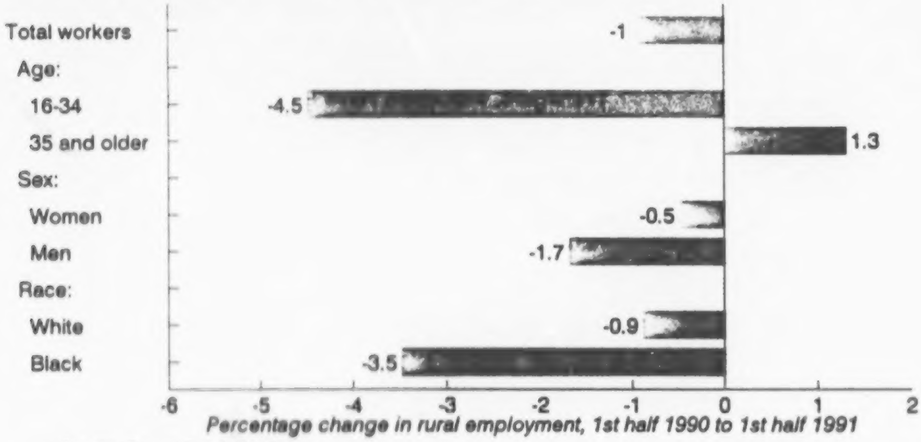
| Data source and area | 1987-88 | 1988-89 | 1989-90 | 1st half 1989-1st half 1990 | 1st half 1990-1st half 1991 |
|---|---|---|---|---|---|
| | *Percentage change* | | | | |
| Current Population Survey: | | | | | |
| United States | 2.2 | 2.1 | 0.5 | 1.0 | -1.0 |
| Metro | 2.2 | 1.6 | .6 | 1.0 | -1.0 |
| Nonmetro | 2.3 | 3.7 | .2 | .8 | -1.1 |
| Bureau of Labor Statistics: | | | | | |
| United States | 2.3 | 2.0 | .5 | .9 | -.9 |
| Metro | 2.3 | 2.0 | .4 | .8 | -1.1 |
| Nonmetro | 2.4 | 2.2 | .8 | 1.2 | -.4 |

Note: Annual employment is calculated by averaging monthly employment, January through December. First-half employment is calculated by averaging monthly employment, January through June.

Sources: Current Population Survey and Bureau of Labor Statistics county data.

## Recession unevenly affects rural workers

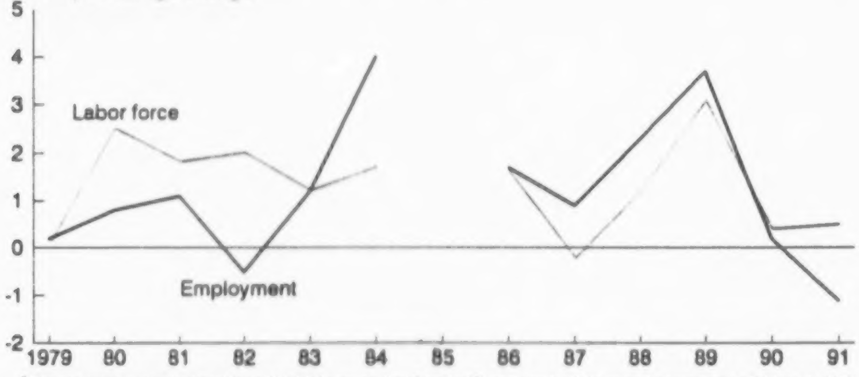
### Employment of the young, men, and Blacks is most vulnerable



Source: Current Population Survey.

## Rural labor force and employment growth

### Rural labor force growth slowed during latest recession, but remained strong during the 1980 and 1981-82 recessions



[1] Growth rates not calculated for 1984-85 because the Census Bureau revised its metro/nonmetro definition in 1985. The 1990-91 growth rates are based on the first half of each year only.

Source: Current Population Survey.

# Rural Unemployment Up in First Half of 1991

*Rural unemployment increased considerably during the first half of 1991 compared with the same period a year earlier. The rise in unemployment was especially large for teenagers and Blacks. The number of involuntary part-time and discouraged rural workers also increased.*

Rural unemployment rose substantially between the first halves of 1990 and 1991 with the onset of the recent recession. However, rural unemployment rates remained well below the high levels of the 1981-82 recession. Although recent national statistics suggest that unemployment has peaked, prerecession levels may not return soon. Unemployment rates historically take longer to recede when a recovery begins than to increase when a recession begins.

Rural unemployment jumped to 7.6 percent in the first half of 1991 compared with 6.1 percent in the same period a year earlier, according to Current Population Survey (CPS) data. This first-half rural unemployment rate is the highest since 1986, when rural unemployment was at 8.8 percent. Urban unemployment also increased substantially to 6.7 percent in the first half of 1991, up from 5.3 percent in 1990.

Official unemployment rates often underestimate unemployment, particularly in rural areas, because they do not include discouraged or underemployed workers. The adjusted unemployment rate includes workers who have given up looking for work and half of those who work part time but would like to work full time. The adjusted unemployment rate was 11.5 percent in rural areas and 9.5 percent in urban during the first half of 1991.

Bureau of Labor Statistics (BLS) data show a similar picture in the first half of 1991. Preliminary BLS data show the rural unemployment rate at 8.1 percent in the first half of 1991, increasing from 6.7 percent in the same period in 1990. Urban unemployment was 6.2 percent in the first half of 1991, up from 5.1 percent a year earlier.

### Teenagers, Minorities Have Highest Unemployment Rates

Teenagers, Blacks, and Hispanics continue to face high unemployment in both rural and urban areas. In the first half of 1991, rural unemployment averaged 20.3 percent for teenagers, 14.7 percent for Blacks, and 9.8 percent for Hispanics. The adjusted rural unemployment rates for these groups are markedly higher, with 25.8 percent of teenagers, 21.2 percent of Blacks, and 16.0 percent of Hispanics unemployed.

### Unemployment Not as Severe as in 1981-82 Recession

The recession that began in the second half of 1990 has been relatively mild. Just after the 1981-82 recession, rural unemployment reached a high of 11.3 percent in the first half of 1983, which is much higher than the 7.6 percent in the first half of 1991. Rural unemployment may not have reached its peak, but it is not likely to reach as high a level as in 1983. The adjusted rural unemployment rate peaked at 16.4 percent in the first half of 1983, far above the 11.5 percent in the first half of 1991.

In the 1981-82 recession, the goods-producing sectors, including farming, mining, and manufacturing, were hit particularly hard. Many rural areas depend heavily on these industries, and thus experienced high unemployment. Rural unemployment rose no more rapidly than urban unemployment during the recent recession because employment losses have been spread across more industries, including construction, wholesale and retail trade, and finance, insurance, and real estate.

Although national trends suggest that the recession has bottomed out, rural unemployment will probably recede slowly. Employers are usually slower in hiring in a recovery than they were in laying off in the preceding downturn. *[Timothy S. Parker, 202/219-0540.]*

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## Nonmetro unemployment jumped during the first half of 1991

### Unemployment rates highest among minorities and teenagers

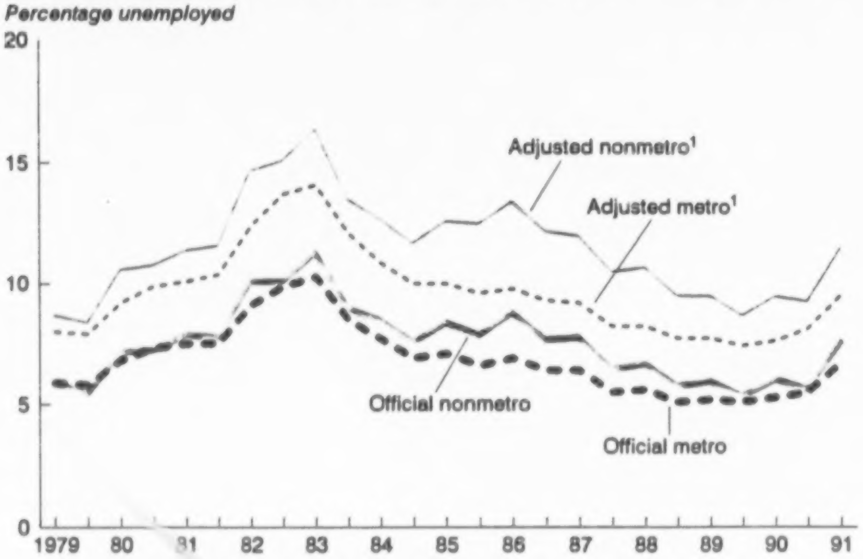
| Type of unemployment and group | 1st half 1990 | | 1st half 1991 | |
|---|---|---|---|---|
| | Metro | Nonmetro | Metro | Nonmetro |
| | *Percent* | | | |
| Official unemployment rates: | | | | |
| Total civilian labor force | 5.3 | 6.1 | 6.7 | 7.6 |
| By age and sex: | | | | |
| Men age 20 and older | 4.8 | 5.5 | 6.5 | 7.2 |
| Women age 20 and older | 4.6 | 5.2 | 5.3 | 6.3 |
| Teenagers | 15.3 | 15.9 | 18.8 | 20.3 |
| By race and ethnicity: | | | | |
| Whites | 4.5 | 5.5 | 5.9 | 6.9 |
| Blacks | 10.8 | 11.4 | 12.2 | 14.7 |
| Hispanics | 7.6 | 9.7 | 9.7 | 9.8 |
| Adjusted unemployment rate[1] | 7.6 | 9.5 | 9.5 | 11.5 |

[1] Unemployment rate adjusted to include discouraged workers and half of the workers employed part time for economic reasons.

Source: Current Population Survey.

## Rural unemployment up

### Rural unemployment was higher in the first half of 1991 compared with 1990



[1] Includes discouraged workers and half of the workers employed part time for economic reasons.

Source: Current Population Survey.

# Appendix: Data Sources and Definitions

## Data Sources

Assessing the changing conditions and trends in rural America is complicated by the need to use a variety of data sources for monitoring demographic and economic patterns. Because different sources of data are intended for different purposes and employ different definitions and collection methods, they sometimes produce contradictory statistics and may lead to different interpretations. Describing rural conditions, therefore, necessitates piecing together general trends from many sources of information, not all of which are used each issue.

**Macroeconomic conditions:** The economic indicators used to monitor macroeconomic changes in the U.S. economy are derived from Federal sources. Measures of inflation, including the Consumer and Producer Price Indexes, and employment and unemployment data are developed by the U.S. Department of Labor's Bureau of Labor Statistics (BLS). National income and product account information on capital investment, gross national product, and net exports is produced by the Bureau of Economic Analysis (BEA), U.S. Department of Commerce. Information relating to monetary policy, including changes in interest rates and foreign exchange rates, and data on industrial production are furnished by the Federal Reserve Board of Governors.

**Employment and unemployment:** Data on nonmetro employment and unemployment come from two sources. The monthly Current Population Survey (CPS), conducted by the Bureau of the Census for the U.S. Department of Labor, provides detailed information on the labor force, employment, unemployment, and demographic characteristics of the metro and nonmetro population. CPS derives estimates based on a national sample of about 58,000 households that are representative of the U.S. civilian noninstitutional population 16 years of age and over. Labor force information is based on respondents' activity during 1 week each month.

BLS county-level employment data are taken from unemployment insurance claims and State surveys of establishment payrolls which are then benchmarked to State totals from the CPS. Thus, at the national and State levels, annual average BLS and CPS estimates are the same. The BLS data series provides monthly estimates of labor force, employment, and unemployment for individual counties.

Each of these data sets has its advantages and disadvantages. CPS furnishes detailed employment, unemployment, and demographic data for metro and nonmetro portions of the Nation. BLS provides less detailed employment data than CPS, but offers very current employment and unemployment information at the county level. While these data sources are likely to provide different estimates of employment conditions at any point in time, they generally indicate similar trends.

## Definitions

Throughout ***Rural Conditions and Trends***, we use "rural" and "nonmetro" interchangeably. The same holds for "urban" and "metro." However, in tables we use "nonmetro" and "metro," the original and more accurate terms used in the data sources.

**Adjusted unemployment rate:** The number of unemployed people, discouraged workers who have given up looking for work, and half of the workers who work part time but want full-time work as a percentage of the civilian labor force plus discouraged workers.

**Civilian labor force:** Noninstitutional civilians aged 16 or older who are either employed or unemployed. Individuals who are neither employed nor unemployed are out of the labor force.

**Consumer Price Index (CPI):** A measure of the average price level of a basket of consumer goods and services at the retail level for a specific period compared against a benchmark period.

**County type classification:** A recently updated USDA classification of nonmetro counties by principal economic activity or demographic base. The categories used in this issue are as follows:

Farming-dependent—counties where farming accounted for a weighted annual average of 20 percent or more of total labor and proprietor income (TLPI) in 1981, 1982, 1984, 1985, and 1986.
Manufacturing-dependent—counties where manufacturing contributed 30 percent of more of TLPI in 1986.
Mining-dependent—counties where mining contributed 20 percent or more to TLPI in 1986.
Retirement-destination—counties where the net inmigration rates of people aged 60 and over were 15 percent or more of the expected 1980 population aged 60 and over for the period 1970-80.

For further information, see Thomas F. Hady and Peggy J. Ross, ***An Update: The Diverse Social and Economic Structure of Nonmetro America***, AGES 9036, U.S. Department of Agriculture, Economic Research Service, June 1990.

**Foreign exchange rate:** The rate at which one currency is traded for another. The Federal Reserve publishes a measure of the overall foreign exchange rate of the U.S. dollar based on the rates of the 10 major U.S. trading partners.

**Gross national product (GNP):** The dollar amount of final goods and services produced by the United States. GNP is the sum of consumer spending, Federal Government purchases of goods and services, business investment, and exports less the amount of imports. This statistic is reported quarterly but is revised in each of the 2 months following the initial release. Nominal GNP measures final goods and services at current prices. Real GNP measures final goods and services in 1982 prices to adjust for inflation.

**Inflation rate:** The percentage change in a measure of the average price level. Changes are reported on a monthly basis and are stated as annual rates for longer term comparisons. The two major measures of the average price level are the Consumer and Producer Price Indexes.

**Labor force participation rate:** The civilian labor force as a percentage of the civilian noninstitutional population 16 and older.

**Metro areas:** Metropolitan Statistical Areas (MSA's), as defined by the Office of Management and Budget, include core counties containing a city of 50,000 or more people and a total area population of at least 100,000. Additional contiguous counties are included in the MSA if they are economically and socially integrated with the core county. Metro areas are divided into central cities and areas outside central cities (suburbs). Throughout this publication, "urban" and "metro" have been used interchangeably to refer to people and places within MSA's.

**Nonmetro areas:** Counties outside metro area boundaries. Throughout this publication, "rural" and "nonmetro" are used interchangeably to refer to people and places outside of MSA's.

**Nonmetro county rural-urban continuum classification:** A classification that distinguishes among nonmetro counties by degree of urbanization and proximity to metro areas. The categories are as follows:

Urban adjacent—aggregate urban population (people living in places of 2,500 or more population) of 20,000 or more, adjacent to a metro area.
Urban nonadjacent—urban population of 20,000 or more, not adjacent to a metro area.
Less urban adjacent—urban population of 2,500 to 19,999, adjacent to a metro area.
Less urban nonadjacent—urban population of 2,500 to 19,999, not adjacent to a metro area.
Rural adjacent—completely rural (county contains no place of 2,500 or more population), adjacent to a metro area.
Rural nonadjacent—completely rural, not adjacent to a metro area.

This nonmetro classification is part of a larger classification that also groups metro areas by size. For further information, see Margaret A. Butler, ***Rural-Urban Continuum Codes for Metro and Nonmetro Counties***, AGES 9028, U.S. Department of Agriculture, Economic Research Service, April 1990.

**Nonmetro minority counties:** A classification of nonmetro counties by race and ethnicity. Minority counties are nonmetro counties in which 25 percent or more of the total population in 1990 belonged to a single minority group—Black, Hispanic, or Native American. The groups are as follows:

Black—332 nonmetro counties in which 63.1 percent of all nonmetro Blacks lived in 1990.
Hispanic—123 nonmetro counties in which 51.1 percent of all nonmetro Hispanics lived in 1990.
Native American—44 nonmetro counties in which 41.3 percent of all nonmetro Native Americans (American Indians, Eskimos, and Aleuts) lived in 1990.

**Producer Price Index:** A measure of the average price received by producers of finished goods at the wholesale level during a specific period compared against a benchmark period.

**Unemployment rate:** The number of unemployed people 16 years and older as a percentage of the civilian labor force 16 years and older.

## Appendix Tables

### Appendix table 1—Nonmetro employment: Quarterly and annual averages

| Year/quarter | Labor force | Labor force participation | Employment | Unemployment | Unemployment rate | Adjusted unemployment rate[1] |
|---|---|---|---|---|---|---|
| | *Thousands* | *Percent* | *Thousands* | *Thousands* | *Percent* | *Percent* |
| 1991: | | | | | | |
| 2nd | 26,529 | 63.1 | 24,673 | 1,856 | 7.0 | 10.7 |
| 1st | 26,049 | 61.9 | 23,898 | 2,151 | 8.3 | 12.3 |
| 1990: | | | | | | |
| 4th | 26,361 | 62.6 | 24,776 | 1,585 | 6.0 | 9.7 |
| 3rd | 26,607 | 63.2 | 25,158 | 1,450 | 5.4 | 8.8 |
| 2nd | 26,417 | 63.2 | 24,934 | 1,483 | 5.6 | 8.9 |
| 1st | 25,893 | 62.2 | 24,196 | 1,697 | 6.6 | 10.0 |
| 1989: | | | | | | |
| 4th | 26,168 | 62.8 | 24,778 | 1,390 | 5.3 | 8.6 |
| 3rd | 26,783 | 64.1 | 25,323 | 1,459 | 5.4 | 8.7 |
| 2nd | 26,389 | 63.5 | 24,919 | 1,470 | 5.6 | 8.9 |
| 1st | 25,441 | 62.2 | 23,807 | 1,634 | 6.4 | 10.2 |
| 1988: | | | | | | |
| 4th | 25,510 | 62.8 | 24,042 | 1,469 | 5.8 | 9.4 |
| 3rd | 25,793 | 63.2 | 24,294 | 1,499 | 5.8 | 9.6 |
| 2nd | 25,513 | 62.4 | 23,978 | 1,535 | 6.0 | 9.8 |
| 1st | 24,819 | 61.2 | 22,996 | 1,823 | 7.3 | 11.6 |
| 1987: | | | | | | |
| 4th | 25,087 | 62.3 | 23,449 | 1,638 | 6.5 | 10.6 |
| 3rd | 25,277 | 62.9 | 23,634 | 1,643 | 6.5 | 10.5 |
| 2nd | 25,186 | 62.2 | 23,437 | 1,749 | 6.9 | 10.9 |
| 1st | 24,856 | 61.0 | 22,688 | 2,167 | 8.7 | 13.1 |
| 1990 | 26,319 | 62.8 | 24,766 | 1,554 | 5.9 | 9.4 |
| 1989 | 26,209 | 63.2 | 24,718 | 1,491 | 5.7 | 9.1 |
| 1988 | 25,409 | 62.4 | 23,827 | 1,582 | 6.2 | 10.1 |
| 1987 | 25,101 | 62.1 | 23,302 | 1,799 | 7.2 | 11.3 |
| 1986 | 25,171 | 61.9 | 23,091 | 2,080 | 8.3 | 12.8 |
| 1985 | 24,781 | 61.2 | 22,700 | 2,081 | 8.4 | 13.0 |
| 1984 | 34,725 | 62.1 | 31,930 | 2,796 | 8.1 | 12.2 |
| 1983 | 34,156 | 61.8 | 30,696 | 3,460 | 10.1 | 14.9 |
| 1982 | 33,740 | 61.7 | 30,335 | 3,405 | 10.1 | 14.9 |
| 1981 | 33,092 | 61.9 | 30,488 | 2,603 | 7.9 | 11.5 |
| 1980 | 32,512 | 61.7 | 30,150 | 2,362 | 7.3 | 10.7 |
| 1979 | 31,716 | 61.5 | 29,916 | 1,800 | 5.7 | 8.5 |

Note: Beginning in 1985, estimation procedures for the Current Population Survey are based on the 1980 Census. That change accounts for the large drop in the nonmetro labor force between 1984 and 1985.

[1] Unemployment rate adjusted to include discouraged workers and half of the workers employed part time for economic reasons.

Source: Bureau of the Census, Current Population Survey.

## Appendix table 2—Metro employment: Quarterly and annual averages

| Year/quarter | Labor force | Labor force participation | Employment | Unemployment | Unemployment rate | Adjusted unemployment rate[1] |
|---|---|---|---|---|---|---|
| | *Thousands* | *Percent* | *Thousands* | *Thousands* | *Percent* | *Percent* |
| 1991: | | | | | | |
| 2nd | 99,017 | 67.1 | 92,522 | 6,496 | 6.6 | 9.4 |
| 1st | 97,984 | 66.6 | 91,362 | 6,622 | 6.8 | 9.7 |
| 1990: | | | | | | |
| 4th | 98,463 | 67.2 | 92,956 | 5,507 | 5.6 | 8.2 |
| 3rd | 99,290 | 67.9 | 93,872 | 5,417 | 5.5 | 8.0 |
| 2nd | 98,504 | 67.4 | 93,480 | 5,024 | 5.1 | 7.4 |
| 1st | 97,615 | 67.0 | 92,283 | 5,332 | 5.5 | 7.8 |
| 1989: | | | | | | |
| 4th | 98,191 | 67.5 | 93,242 | 4,949 | 5.0 | 7.3 |
| 3rd | 98,373 | 67.9 | 93,366 | 5,007 | 5.1 | 7.5 |
| 2nd | 97,391 | 67.4 | 92,449 | 4,942 | 5.1 | 7.5 |
| 1st | 96,633 | 66.7 | 91,411 | 5,223 | 5.4 | 7.9 |
| 1988: | | | | | | |
| 4th | 96,886 | 67.0 | 92,139 | 4,748 | 4.9 | 7.4 |
| 3rd | 97,249 | 67.5 | 92,132 | 5,117 | 5.3 | 8.0 |
| 2nd | 95,843 | 66.8 | 90,801 | 5,042 | 5.3 | 7.8 |
| 1st | 95,061 | 66.3 | 89,492 | 5,569 | 5.9 | 8.6 |
| 1987: | | | | | | |
| 4th | 95,433 | 66.6 | 90,347 | 5,086 | 5.3 | 7.9 |
| 3rd | 95,924 | 67.2 | 90,434 | 5,490 | 5.7 | 8.6 |
| 2nd | 94,546 | 66.6 | 88,869 | 5,677 | 6.0 | 8.7 |
| 1st | 93,152 | 65.9 | 86,904 | 6,249 | 6.7 | 9.6 |
| 1990 | 98,468 | 67.4 | 93,148 | 5,320 | 5.4 | 7.9 |
| 1989 | 97,660 | 67.4 | 92,624 | 5,036 | 5.2 | 7.5 |
| 1988 | 96,260 | 66.9 | 91,141 | 5,119 | 5.3 | 7.9 |
| 1987 | 94,764 | 66.6 | 89,138 | 5,625 | 5.9 | 8.7 |
| 1986 | 92,665 | 66.2 | 86,508 | 6,157 | 6.6 | 9.5 |
| 1985 | 90,684 | 65.9 | 84,453 | 6,231 | 6.9 | 9.9 |
| 1984 | 78,819 | 65.4 | 73,076 | 5,743 | 7.3 | 10.4 |
| 1983 | 77,394 | 65.1 | 70,137 | 7,257 | 9.4 | 13.1 |
| 1982 | 76,465 | 65.1 | 69,192 | 7,273 | 9.5 | 13.1 |
| 1981 | 73,301 | 64.9 | 67,825 | 5,476 | 7.5 | 10.3 |
| 1980 | 72,207 | 64.8 | 67,120 | 5,087 | 7.0 | 9.5 |
| 1979 | 71,192 | 64.7 | 67,029 | 4,163 | 5.8 | 8.0 |

Note: Beginning in 1985, estimation procedures for the Current Population Survey are based on the 1980 Census.

[1] Unemployment rate adjusted to include discouraged workers and half of the workers employed part time for economic reasons.

Source: Bureau of the Census, Current Population Survey.

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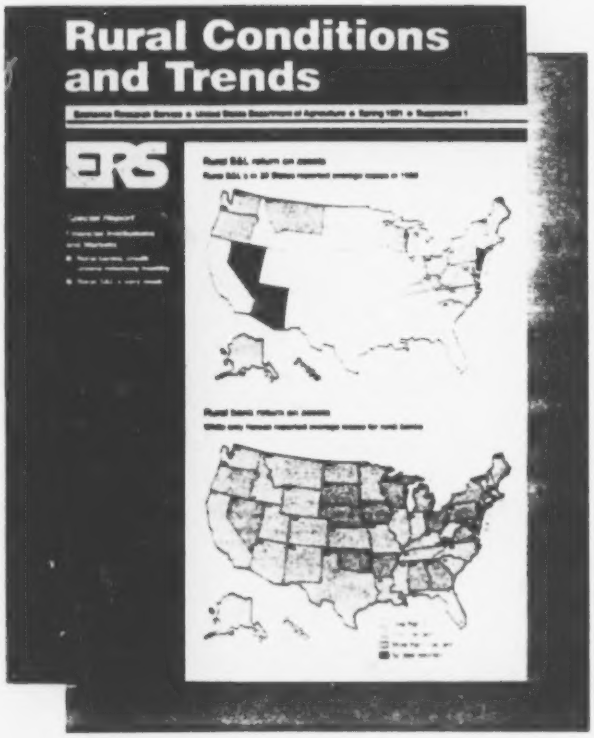

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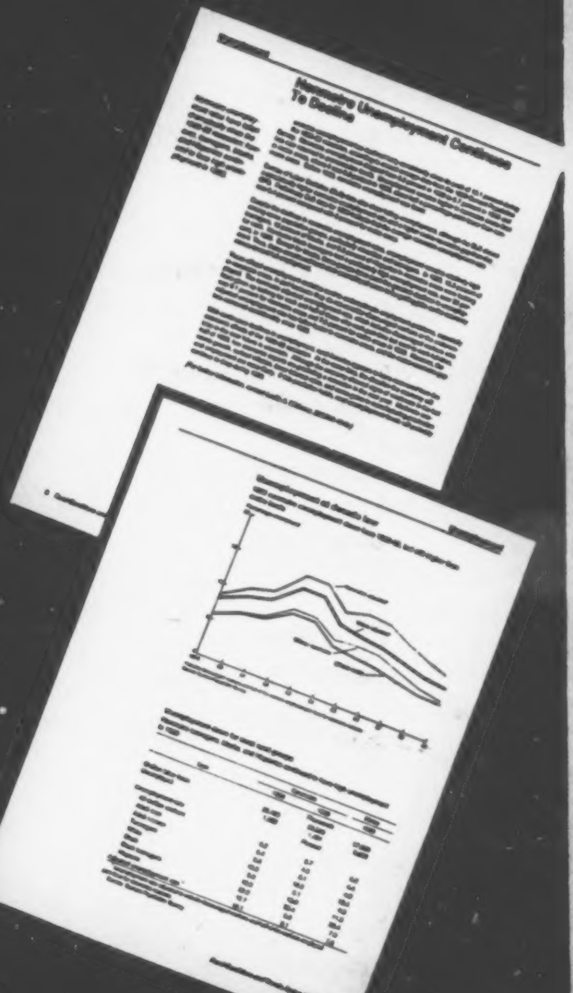

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Economic Research Service • United States Department of Agriculture • Winter 1991/92 • Vol. 2, No. 4

Consumer confidence low as recovery stalls

Rural unemployment still high in third quarter 1991

*Special article*

Rural employment concentrated in industries projected to shrink by 2005

# Rural Conditions and Trends

Winter 1991/92, Vol. 2, No. 4

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# Unemployment Remains High as Recovery Stalls

*Neither rural nor urban areas had regained their prerecession employment levels by the third quarter of 1991. National recovery has stalled; growth is expected to resume in the second half of 1992.*

The fall and winter months have seen a dampening of the economic recovery that appeared to start in the spring. Consumer confidence is low and unemployment remains high. In October and November, many retailers told the Federal Reserve that they had resorted to price discounts to spur sluggish seasonal sales. And, momentum in manufacturing, the fastest growing sector during the summer and early fall, has flagged. On the positive side, interest rates continue to decline and inflation is moderate, leading many analysts to expect growth in the second half of 1992.

The most recently available rural and urban employment data cover the first three quarters of 1991. Neither rural nor urban areas had regained their prerecession employment level by the third quarter of 1991, according to both Current Population Survey (CPS) and Bureau of Labor Statistics (BLS) estimates. Rural unemployment declined slightly in the third quarter, but it was matched by a rise in the number of discouraged workers, indicating a scarcity of job openings in rural areas.

**New Feature Initiated**

This issue includes a new feature, *National Economy Links to Rural Areas*, an occasional article that will explain the rural implications of various aspects of the national economy. This first article investigates what the BLS projections of national employment to the year 2005 may mean for rural areas.

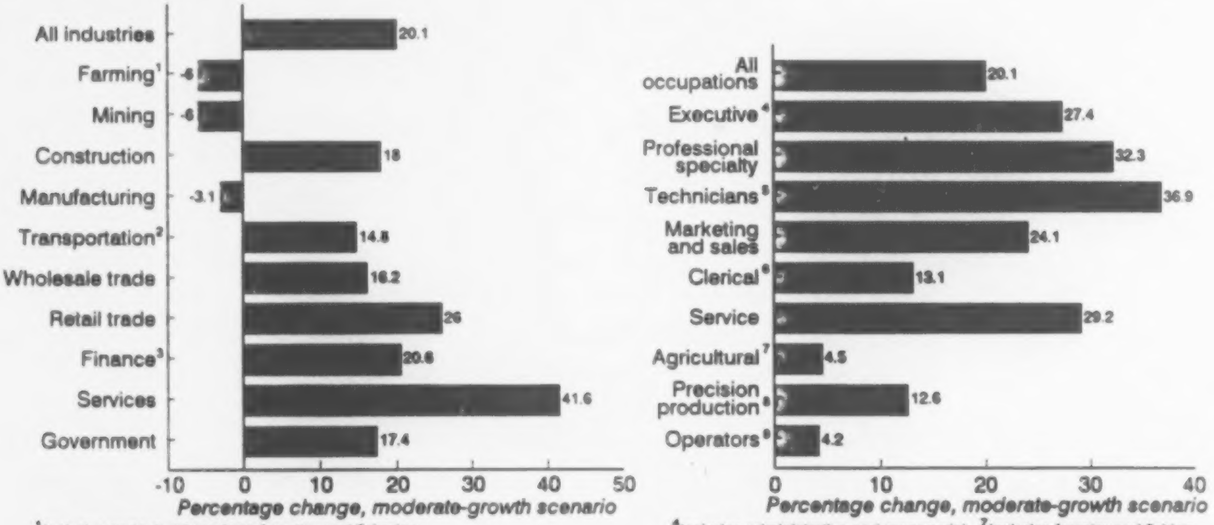
Comparing projected employment growth by industry and occupation with the current distribution of rural and urban workers by sector suggests that rural employment growth may not keep pace with urban growth in the next 15 years. Under BLS's moderate-growth scenario, employment in the farming, agricultural services, forestry, and fishing; mining; and manufacturing industrial groups is projected to decline. Higher proportions of rural than urban workers are employed in these industries, suggesting that rural areas may sustain a disproportionate share of these job losses. On the other hand, employment in all occupational groups is projected to increase. However, rural employment is more concentrated in slower growth occupational groups.

Comparing the projections with overall rural employment patterns gives us an idea of what the trend may be over the next 15 years. But what happens in a particular local area depends on many factors unique to that area. *[Linda M. Ghelfi, 202/219-0547.]*

**Projected change in employment by industry and occupation, 1990-2005**

**Employment in agriculture, mining, and manufacturing to decline...**

**but employment in all occupational groups projected to increase**



[1] Includes agricultural services, forestry, and fisheries.
[2] Includes public utilities.
[3] Includes insurance and real estate.
Source: Bureau of Labor Statistics.

[4] Includes administrative and managerial.
[5] Includes related support.
[6] Includes administrative support.
[7] Includes forestry and fishing.
[8] Includes craft and repair.
[9] Includes fabricators and laborers.

# Recovery Pauses in Fourth Quarter

*The national recession appeared to end in the spring, but the recovery stalled in the last few months of 1991. Falling interest rates lead most forecasters to predict a stronger recovery in 1992.*

After recovering in the spring and summer of 1991, production and employment gains slowed in the last few months of the year. The Department of Commerce's Coincident Index--a composite of monthly employment, income, sales, and production data--rose at a 2.7-percent annual rate from March through July. The rise in the Coincident Index, which measures real economic growth on a monthly basis, prompted many analysts to suggest that the recession had ended in the spring. After July, however, the index grew much more slowly and was essentially flat for the last few months of the year.

Movements in the number of nonfarm payroll jobs--one component of the Coincident Index--were erratic in the second half of the year. By August, the number of nonfarm jobs had risen 235,000 from their recession low in April, but, by November, had retreated to only slightly above the April figure. Jobs in goods-producing industries fell below their April level in November, while jobs in service-producing industries were only slightly below their prerecession high.

### Consumer Confidence Drops

Although sales, production, and employment data were largely flat in the fourth quarter, consumer confidence dropped substantially in October and November, reaching the lowest levels since the 1982 recession. Consumer confidence is thought by many economists to be an important determinant of consumer spending. For example, analysts have suggested that the steep declines in consumer confidence in September and October 1990 helped solidify the recession. The resurgence in confidence in early 1991, associated with the end of the Persian Gulf war, helped spark the recovery in the spring. Since consumer spending accounts for about 65 percent of gross national product, declining consumer confidence points to continued sluggish growth in the overall economy for the next few months.

### Inflation Remains Modest

Consumer prices rose about 3 percent in 1991, half the rate of 1990. Much of inflation's decline was due to a sharp drop in energy prices following the run-up associated with Iraq's invasion of Kuwait. However, other forces were also important in reducing inflation in 1991. Food prices rose at about a quarter of 1990's 5.3-percent rate. Raw materials prices, excluding oil and food, fell more than 7 percent during the year, and wage increases were lower in 1991 than in any of the previous 8 years. The recession resulted in relatively low demand for materials that led to lower prices, while relatively high unemployment rates moderated wage increases.

### Interest Rates Continue To Slide

Interest rates continued to decline in the last quarter of 1991. Particularly, short-term interest rates reached lows comparable to those of nearly two decades ago, and the bank prime rate fell to 7.5 percent. Longer term rates also fell, although not as much as short-term rates. Yields on 10-year Treasury notes fell below 7.4 percent, their lowest level since 1973. Mortgage interest rates declined as well, falling to a 5-year low in the fourth quarter.

### Outlook: Lower Interest Rates Spur Recovery

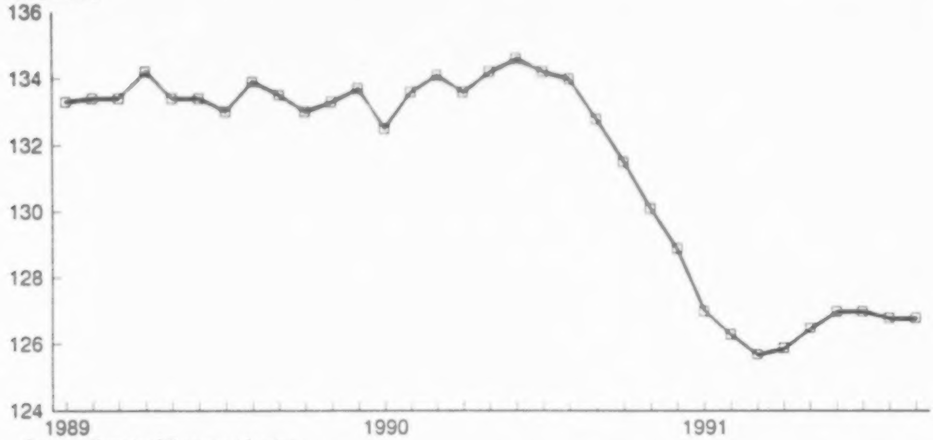
Most forecasters expect the recovery will gain strength in 1992 as declining interest rates in 1991 begin to affect production and employment. Declines in interest rates usually lead to increases in employment and production about 6 months to a year after rates decline. A survey conducted by the National Association of Business Economists (NABE) in October reported that growth was expected to be modest for the next 6 months, but would accelerate in the second half of 1992. For 1992 as a whole, real GNP is expected to grow by 2.4 percent according to the NABE panel, after falling by about 0.5 percent in 1991. Housing starts, traditionally very sensitive to interest rate movements, are projected to increase by 20 percent in 1992, providing a substantial boost to real GNP. As overall production increases, the unemployment rate is expected to fall. The NABE panel predicts a 6.5-percent rate for 1992, down slightly from 6.7 percent in 1991.

While fourth quarter statistics suggest the recovery from the 1990-91 recession has stalled, lower inflation and lower interest rates are expected to provide the foundation for a resumption of recovery in 1992. Even so, most forecasters are predicting the recovery will be relatively slow by historical standards. *[Analysis reflects data as of December 1, 1991. Jennifer L. Beattie and R. M. Monaco, (202) 219-0782]*

## Index of Coincident Indicators

**Recovery began in the spring but stalled in the fall...**

*1982=100*

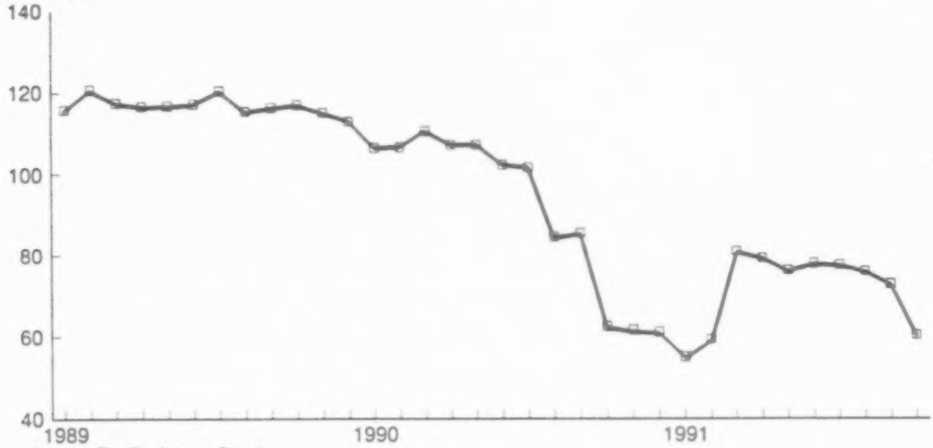


Source: Bureau of Economic Analysis.

## Index of Consumer Confidence

**while consumer confidence slid...**

*1985=100*

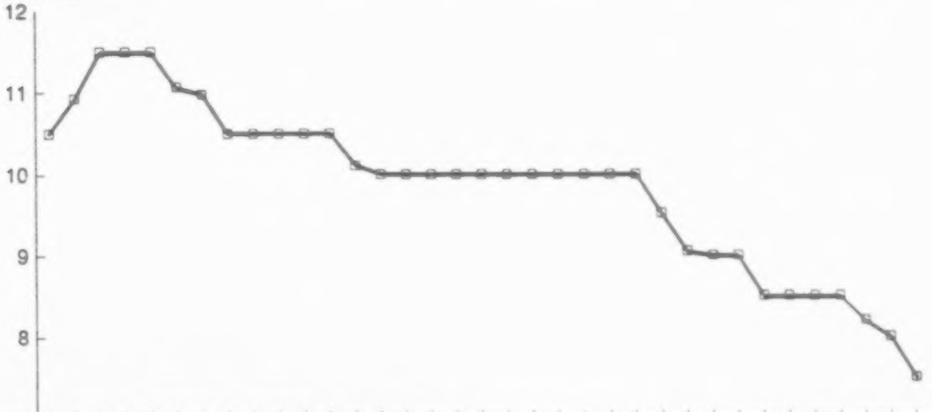


Source: The Conference Board.

## Bank prime rate

**but falling interest rates point to economic recovery in 1992**

*Percent*



Source: Board of Governors of the Federal Reserve.

# Employment Mix Will Change by 2005

*Rural employment is well represented in the occupations expected to grow over the next 15 years, but rural employment is currently more concentrated in industries and occupations expected to decline or grow slowly.*

What will employment look like in 2005? The Bureau of Labor Statistics (BLS) has recently released its projections of employment from 1990 to 2005 in the November 1991 *Monthly Labor Review*. However, the BLS projections do not specifically address rural employment trends. Using the current structure of rural/urban employment and the BLS projections suggests that employment will continue to decline in industries that are concentrated in rural areas.

### BLS Long-Term Projections

The prospects for employment by industry and for specific occupations depend primarily on major economic developments. Because projections of these developments are relatively uncertain, BLS considers three scenarios: low growth, moderate growth, and high growth. Several features are common to all scenarios. Total labor force growth is projected to slow due to a slower growing population, a rapidly growing older population, and smaller increases in labor force participation rates, particularly for younger women. Unless offset by productivity gains, slower overall labor force growth leads to slower real GNP growth. As a result, BLS economic growth rates are relatively low: the average rate of real GNP growth in the high-growth scenario only equals the rate of the last 15 years.

Not all sectors will be equally affected by relatively slower national economic growth. Relatively strong demand for U.S. exports, a smaller Federal deficit, and changes in consumer buying patterns due to the aging population are among the factors that will determine which industries are likely to grow more quickly than others. For example, the aging of the baby boom population is expected to shift consumption expenditures away from housing and new car sales toward services and, in particular, toward medical services.

### Projected Industry Changes

Employment in agriculture, mining, and manufacturing is projected to decline during 1990-2005 under the moderate-growth scenario. The employment change ranges from -9.4 (low growth) to -2.9 percent (high growth) for agriculture, -15.9 to -3.0 percent for mining, and -12.5 to 0.4 percent for manufacturing. By comparison, the number of agriculture and mining jobs declined during 1975-90, each by about 5 percent, but the number of manufacturing jobs rose slightly. Rural areas had a larger share of workers in these industries than urban areas in 1989. Among the projected high-growth industries, rural areas had about the same proportion employed in retail trade as urban areas in 1989, but lower proportions in finance and services. The services industry is expected to grow the most, with projected national employment growth of 31.3 to 49.0 percent. Services also grew the most from 1975 to 1990, 102.4 percent.

Although looking at the industry mix alone is useful, looking at both the industry mix and the occupational mix yields a more complete picture of how rural economies may be affected by national employment trends.

### Projected Occupation Changes

Despite declines in some industries, employment in all the major occupational groups is expected to increase under the moderate-growth scenario. BLS projects that three of the four fastest growing occupational groups will be those requiring relatively high levels of education or training: executive, administrative, and managerial; professional specialty; and technicians and related support. Rural areas currently have proportionally fewer of these workers than urban areas do. In addition, rural areas currently have a larger share of workers employed in agriculture, forestry, and fishing, and precision production, craft, and repair. Growth in these occupational groups is expected to be substantially less than the overall growth rate.

How can projected employment in the agriculture industry be declining while projected employment in the agricultural occupational group is increasing? The BLS projection of an increase in those employed in agriculture, forestry, fishing, and related occupations is consistent with its projection of a decline in employment in the agriculture industry. BLS sees decline in farming occupations and growth in nonfarm agricultural service occupations, such as gardeners and groundskeepers who may be employed in other industries.

When we look at specific occupations, rural areas are well represented in the largest growth occupations. About 9 percent of both rural and urban employment is in the five occupations expected to add the most jobs. But rural areas have twice the proportion of employment in occupations expected to sustain the largest decreases. The five occupations expected to lose the most jobs make up 7.6 percent of rural versus 3.5 percent of urban employment.

### Prospects for Rural Employment Growth

Over the last 15 years, employment in rural areas has decreased as a share of total U.S. employment. Although a large share of rural employment is now in occupations expected to grow the most over the next 15 years, employment in industries and occupational groups with projected declines or slow growth are concentrated in rural areas. This suggests that rural employment will continue to be a shrinking share of the national labor force. *[Karen S. Hamrick, 202/219-0782]*

## Employment distribution and change by industry

**Agriculture, mining, and manufacturing employment expected to shrink by 2005...**

| Industry | 1989 employment distribution Nonmetro | 1989 employment distribution Metro | 1975-90 actual change | 1990-2005 projected change, moderate-growth scenario |
|---|---|---|---|---|
| | | | *Percent* | |
| Agriculture | 9.3 | 1.9 | -5.3 | -6.0 |
| Mining | 1.6 | .5 | -5.4 | -6.0 |
| Construction | 5.3 | 5.3 | 45.7 | 18.0 |
| Manufacturing | 17.5 | 14.0 | 4.3 | -3.1 |
| Transportation, communications, and utilities | 4.1 | 4.8 | 28.3 | 14.8 |
| Wholesale trade | 3.3 | 5.3 | 40.1 | 16.2 |
| Retail trade | 16.4 | 16.6 | 55.8 | 26.0 |
| Finance, insurance, and real estate | 4.9 | 8.2 | 61.8 | 20.6 |
| Services | 20.9 | 28.5 | 102.4 | 41.6 |
| Government | 16.7 | 14.9 | 24.8 | 17.4 |
| Total employment | 100.0 | 100.0 | 39.8 | 20.1 |

Source: Bureau of Economic Analysis data and Bureau of Labor Statistics projections.

## Employment distribution and change by occupational group

**...but employment in all occupational groups expected to grow**

| Occupational group | 1990 employment distribution Nonmetro | 1990 employment distribution Metro | 1975-90 actual change | 1990-2005 projected change, moderate-growth scenario |
|---|---|---|---|---|
| | | | *Percent* | |
| Executive, administrative, and managerial | 8.7 | 13.4 | 83.1 | 27.4 |
| Professional specialty | 10.6 | 14.2 | 59.9 | 32.3 |
| Technicians and related support | 2.5 | 3.5 | 75.7 | 36.9 |
| Marketing and sales | 10.3 | 12.6 | 55.1 | 24.1 |
| Administrative support occupations, including clerical | 12.6 | 16.7 | 33.9 | 13.1 |
| Service occupations | 14.4 | 13.2 | 36.1 | 29.2 |
| Agricultural, forestry, fishing, and related occupations | 7.3 | 1.7 | -9.8 | 4.5 |
| Precision production, craft, and repair | 13.1 | 11.1 | 28.9 | 12.6 |
| Operators, fabricators, and laborers | 20.5 | 13.6 | 6.7 | 4.2 |
| Total employment | 100.0 | 100.0 | 37.4 | 20.1 |

Source: Current Population Survey data and Bureau of Labor Statistics projections.

## Occupations with the largest job growth or decline, 1990-2005

**Farmers projected to lose the most jobs of all occupations**

| *Occupations with the largest projected job growth* | *Occupations with the largest projected job losses* |
|---|---|
| Retail salespersons | Farmers |
| Registered nurses | Bookkeeping, accounting, and auditing clerks |
| Cashiers | Child care workers in private households |
| General office clerks | Sewing machine operators who sew garments |
| Light and heavy truck drivers | Electrical and electronic assemblers |

# Rural Employment Falls

*Rural employment declined between the first three quarters of 1990 and the first three quarters of 1991. Employment declines hit rural areas in all regions of the country; however, New England and the Middle Atlantic States had the largest percentage declines.*

**Rural employment remains below its prerecession level. Third-quarter seasonally adjusted employment data show no signs of a turnaround in rural job growth, consistent with the stalled national recovery.**

Rural employment declined 1.4 percent between the first three quarters of 1990 and the first three quarters of 1991, according to Current Population Survey (CPS) data. This decline was the steepest since the 1980-82 recessions. Employment also declined in urban areas by 0.9 percent in the same period.

Bureau of Labor Statistics (BLS) county-level data also show both rural and urban employment slipping in the first three quarters of 1991. Rural employment was down 0.3 percent and urban jobs declined by 1.0 percent. These estimates are unlike CPS estimates, which show rural areas with a steeper decline than urban areas. CPS rural estimates are generally more reliable than BLS numbers because they are based on a nationally representative sample of rural workers. BLS estimates are based on more indirect evidence from a survey of businesses, but they have the advantage of providing geographic detail not available in the CPS data.

### All Regions Show Employment Downturn

Declines in rural employment growth have affected all regions of the country, according to BLS data. Between the first three quarters of 1990 and the same period in 1991, rural areas in the Northeast had the largest decline in employment, down 2.3 percent. Downturns in banking, finance, insurance, real estate, and defense-related industries have struck hard in the Northeast and Middle Atlantic States. Employment in the rural Midwest, South, and West remained basically unchanged, with near zero growth in the first three quarters of 1991.

Although no particular region showed signs of notable job growth, rural employment did pick up in several States during the first three quarters of 1991. In the South, Texas and Virginia had higher rural employment growth than in the same period in 1990. In the West, rural employment increased in Nevada, Utah, and Hawaii.

### Employment Declined Most in Manufacturing-Dependent Counties

Rural manufacturing-, mining-, and government-dependent counties all had declines in employment during the first three quarters of 1991. Employment in farming-dependent counties was unchanged. The largest decline was in rural manufacturing counties, down 1 percent. Manufacturing is usually the first to feel the effects of an economic downturn as suppliers facing reduced demand lay off workers. Employment in government-dependent counties dropped by 0.7 percent in the first three quarters of 1991. This change may reflect cutbacks in State and local governments in response to budget shortfalls induced by the recession.

Rural counties with high percentages of Native Americans and Blacks had greater employment losses than the rural average of -0.3 percent in the first three quarters of 1991. Employment in Native American counties declined by 1.5 percent, employment in Black counties declined by 0.8 percent, but employment in Hispanic counties grew slightly. *[Timothy S. Parker, 202/219-0541]*

## Employment change, 1987 through the first three quarters of 1991

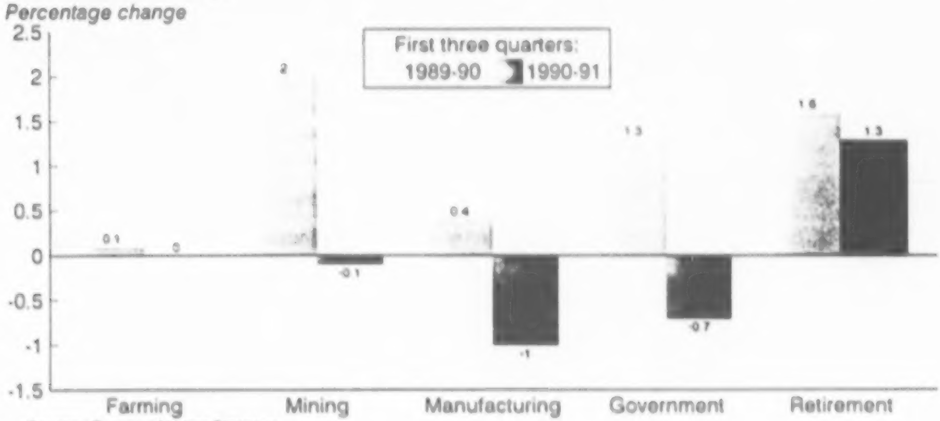
**Nonmetro and metro employment down in the first three quarters of 1991, according to both CPS and BLS data**

| Data source and area | 1987-88 | 1988-89 | 1989-90 | 1st 3 quarters 1990-1st 3 quarters 1991 |
|---|---|---|---|---|
| | *Percentage change* | | | |
| Current Population Survey: | | | | |
| United States | 2.2 | 2.1 | 0.5 | -1.0 |
| Nonmetro | 2.3 | 3.7 | .2 | -1.4 |
| Metro | 2.2 | 1.6 | .6 | -.9 |
| Bureau of Labor Statistics: | | | | |
| United States | 2.3 | 2.0 | .5 | -.9 |
| Nonmetro | 2.4 | 2.2 | .8 | -.3 |
| Metro | 2.3 | 2.0 | .4 | -1.0 |

Sources: Current Population Survey and Bureau of Labor Statistics county data.

## Nonmetro employment change by county type

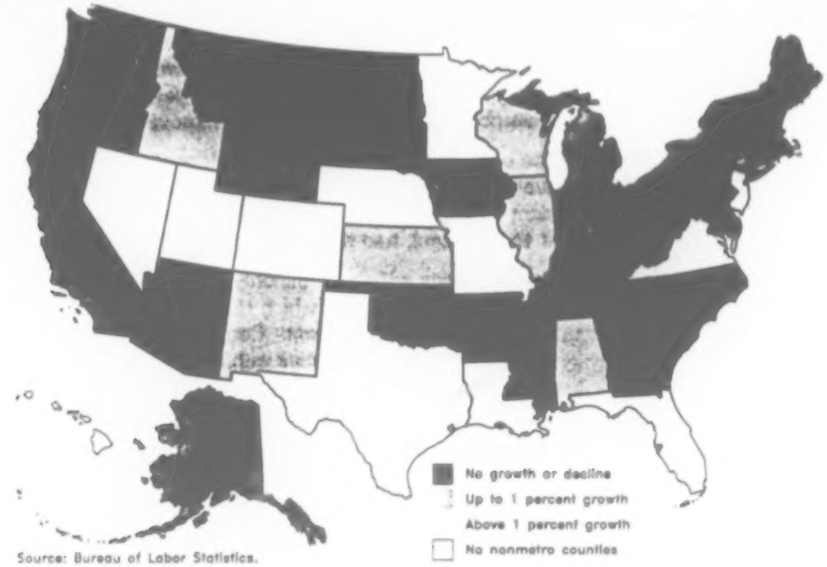
**Manufacturing- and government-dependent counties had lower employment in the first three quarters of 1991**



Source: Bureau of Labor Statistics.

## Nonmetro employment change, first three quarters, 1990-91

**Downturn affects all regions**



Source: Bureau of Labor Statistics.

# Rural Unemployment Remains High

*Rural unemployment was unchanged in the third quarter of 1991. Between mid-1990 and the second quarter of 1991, unemployment had risen in all regions of the country, with particularly large increases in the Northeast, California, and the Carolinas. The recession also raised already high unemployment rates in mining and minority counties.*

Rural unemployment remains at the recessionary level reached earlier in 1991. The fact that unemployment has not fallen suggests that the job picture has yet to improve for rural workers, consistent with other evidence that the economic recovery has stalled. It is too soon to know if the recession will recede more slowly in rural than in urban labor markets, as was true following the 1981-82 recession.

The rural unemployment rate in the third quarter of 1991 was 7 percent, according to seasonally adjusted Current Population Survey (CPS) data. This level was essentially unchanged from the 7.1-percent unemployment of the previous quarter. Preliminary Bureau of Labor Statistics (BLS) data also suggest that jobs continue to be scarce in many rural areas. Rural unemployment stood at 7.6 percent in the third quarter, essentially unchanged since the beginning of the year, according to seasonally adjusted BLS data. By comparison, the national rate was 6.8 percent in the third quarter.

Official unemployment rates may understate the full extent of employment difficulties, because they omit individuals who want a job but have given up looking for work (discouraged workers) and those forced to accept part-time work. The third-quarter adjusted unemployment rate (includes discouraged workers and half of those who work part-time but want to work full-time) was 11 percent in rural areas, the same as the second-quarter level. The small estimated reduction in official unemployment between the second and third quarters was accompanied by a similar increase in the number of discouraged workers, rather than an increase in rural employment. This development suggests that job openings remained scarce in rural areas.

Urban unemployment was also essentially unchanged between the second and third quarters, according to seasonally adjusted CPS data. The official unemployment rate was 6.7 percent in the third quarter and the adjusted unemployment rate was 9.6 percent. As has been true since 1980, rural unemployment rates exceeded urban rates.

### Unemployment Higher in Some Areas

The recessionary increase in unemployment affected counties in all regions of the country, as measured by change in average unemployment between the first three quarters of 1990 and the same period in 1991. Despite the breadth of the economic downturn, there were important regional differences in the size of the rise in unemployment. There was also much variation among rural counties within each region.

The largest increase in unemployment occurred in the rural Northeast where unemployment jumped from 5.9 percent in the first three quarters of 1990 to 8.2 percent in the first three quarters of 1991. Declines in defense-related industries, construction, and finance have hit the Northeast particularly hard. Large increases in unemployment were also registered in rural California, which has also lost defense-related jobs and is experiencing a severe drought, and in rural North Carolina and South Carolina, where many manufacturing workers were laid off.

The smallest increase in unemployment occurred in the Midwest, but rural unemployment still grew from 6.1 to 7 percent. The relative stability of the farm sector in the current economic downturn is one reason that fewer midwestern workers have become unemployed. At least through the third quarter of 1991, midwestern manufacturing has also shown considerable resilience, probably due in part to improved export sales.

The unemployment rate in mining-dependent rural counties was 9.1 percent in the first three quarters of 1991, compared with 7.7 percent for all rural counties. Mining-related unemployment contributed to the 11.2-percent unemployment rate in rural West Virginia. Only California, at 11.7 percent, had higher rural unemployment.

Rural counties with large minority populations continue to experience above-average unemployment rates. Counties in which Hispanics made up at least 25 percent of the population had 10.2-percent unemployment. Counties with large Native American populations had 9.4-percent unemployment, and counties with large Black populations had 8.4-percent unemployment. [A map showing the location of minority counties can be found in *Rural Conditions and Trends*, Vol. 2, No. 2, Summer 1991, page 3.]

### High Unemployment May Persist for Some Time

Recessionary increases in unemployment often persist for some time after business conditions begin to improve. One reason for this lag is that many businesses meet an initial recovery in sales by liquidating existing inventories or by increasing the hours worked by current

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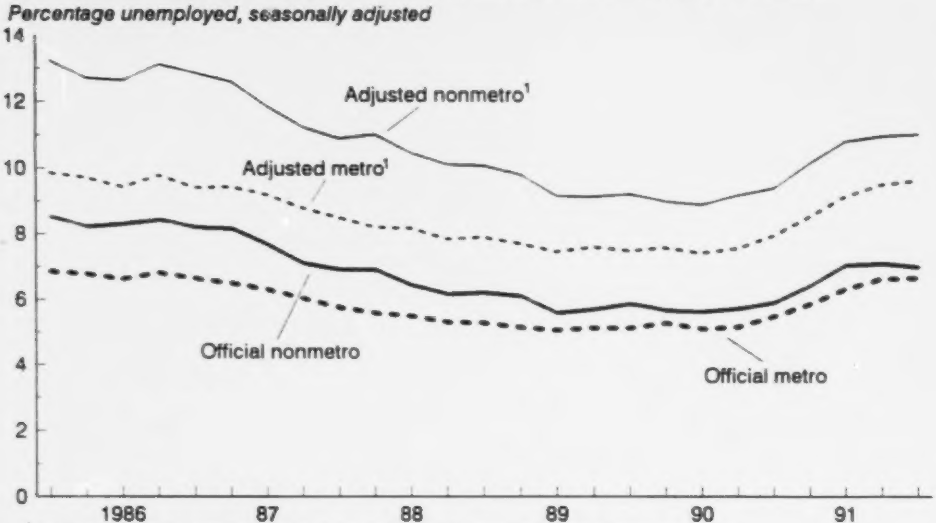
employees, rather than by hiring new workers. Delays in hiring are especially likely when employers believe that sales increases may be temporary. Widely publicized concerns that the current recovery is weak could be partly responsible for the fact that hiring has lagged and unemployment rates have yet to begin falling. *[Paul Swaim, 202/219-0552]*

## Quarterly unemployment rate

**Nonmetro unemployment higher than metro, but less so than during the 1980's**

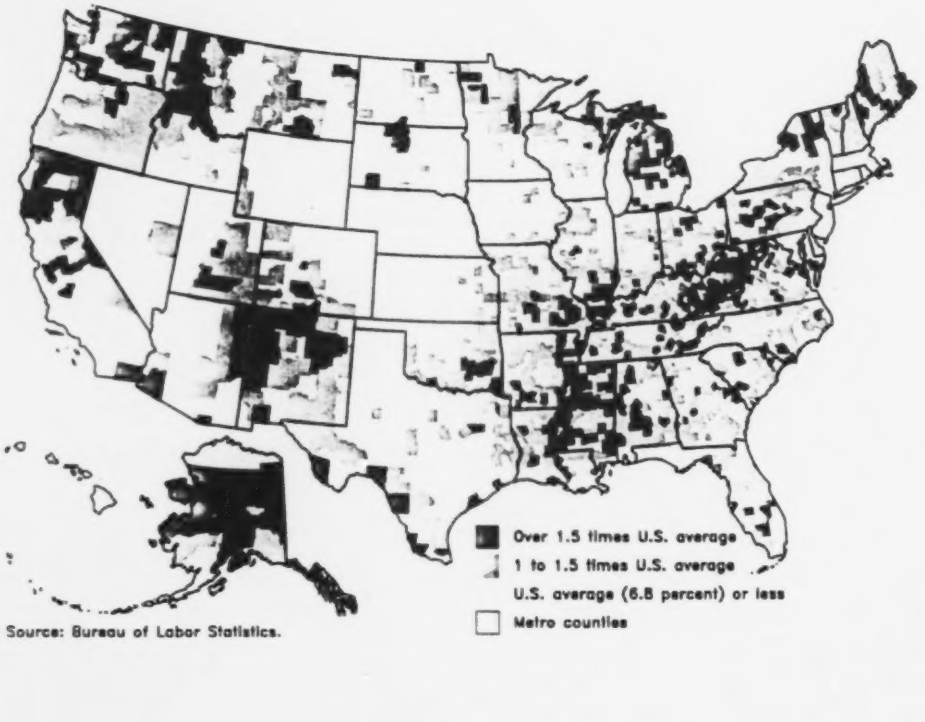


[1] Includes discouraged workers and half of the workers employed part time for economic reasons.

Source: Current Population Survey.

## Nonmetro unemployment, first three quarters of 1991

**Unemployment generally lower in the Plains**


■ Over 1.5 times U.S. average
▨ 1 to 1.5 times U.S. average
U.S. average (6.8 percent) or less
☐ Metro counties

Source: Bureau of Labor Statistics.

## Data Sources

**Macroeconomic conditions:** The economic indicators used to monitor macroeconomic changes in the U.S. economy are derived from Federal sources. Measures of inflation, including the Consumer and Producer Price Indexes, and employment and unemployment data are developed by the U.S. Department of Labor's Bureau of Labor Statistics (BLS). National income and product account information on capital investment, gross national product, and net exports is produced by the Bureau of Economic Analysis (BEA), U.S. Department of Commerce. Information relating to monetary policy, including changes in interest rates and foreign exchange rates, and data on industrial production are furnished by the Federal Reserve Board of Governors.

**Employment and unemployment:** Data on nonmetro employment and unemployment come from three sources. The monthly Current Population Survey (CPS), conducted by the Bureau of the Census for the U.S. Department of Labor, provides detailed information on the labor force, employment, unemployment, and demographic characteristics of the metro and nonmetro population. CPS derives estimates based on a national sample of about 58,000 households that are representative of the U.S. civilian noninstitutional population 16 years of age and over. Labor force information is based on respondents' activity during 1 week each month.

BLS county-level employment data are taken from unemployment insurance claims and State surveys of establishment payrolls which are then benchmarked to State totals from the CPS. Thus, at the national and State levels, annual average BLS and CPS estimates are the same. The BLS data series provides monthly estimates of labor force, employment, and unemployment for individual counties.

BEA employment data, unlike the household data collected by the CPS and BLS, provide establishment data on the number of jobs rather than the number of workers. The BEA data are taken primarily from administrative reports filed by employers covered under unemployment insurance laws and from information from the Internal Revenue Service and the Social Security Administration. Thus, jobs are counted at the place of work and are based on a virtual universal count rather than a sample. The BEA data provide detailed information on the number of jobs and earnings by industry and sources and amounts of income at the county level. A shortcoming of the BEA data is the 2-year lag between when they are collected and when they are available for analysis.

Each of these data sets has its advantages and disadvantages. CPS furnishes detailed employment, unemployment, and demographic data for metro and nonmetro portions of the Nation. The BEA provides estimates of the number of jobs and earnings by industry for individual county areas. BLS provides less detailed employment data than CPS, but offers very current employment and unemployment information at the county level. While these data sources are likely to provide different estimates of employment conditions at any point in time, they generally indicate similar trends.

## Definitions

Throughout ***Rural Conditions and Trends***, we use "rural" and "nonmetro" interchangeably. The same holds for "urban" and "metro." However, in tables we use "nonmetro" and "metro," the original and more accurate terms used in the data sources.

**Adjusted unemployment rate:** The number of unemployed people, discouraged workers who have given up looking for work, and half of the workers who work part time but want full-time work as a percentage of the civilian labor force plus discouraged workers.

**Civilian labor force:** Noninstitutional civilians aged 16 or older who are either employed or unemployed. Individuals who are neither employed nor unemployed are out of the labor force.

**Consumer Price Index (CPI):** A measure of the average price level of a basket of consumer goods and services at the retail level for a specific period compared against a benchmark period.

**County type classification:** A recently updated USDA classification of nonmetro counties by principal economic activity or demographic base. The categories used in this issue are as follows:

Farming-dependent—counties where farming accounted for a weighted annual average of 20 percent or more of total labor and proprietor income (TLPI) in 1981, 1982, 1984, 1985, and 1986.
Manufacturing-dependent—counties where manufacturing contributed 30 percent of more of TLPI in 1986.
Mining-dependent—counties where mining contributed 20 percent or more to TLPI in 1986.

Government-dependent—counties where Federal, State, and local government contributed 25 percent or more to TLPI in 1986.
Retirement-destination—counties where the net inmigration rates of people aged 60 and over were 15 percent or more of the expected 1980 population aged 60 and over for the period 1970-80.
For further information, see Thomas F. Hady and Peggy J. Ross, ***An Update: The Diverse Social and Economic Structure of Nonmetro America***, AGES 9036, U.S. Department of Agriculture, Economic Research Service, June 1990.

**Foreign exchange rate:** The rate at which one currency is traded for another. The Federal Reserve publishes a measure of the overall foreign exchange rate of the U.S. dollar based on the rates of the 10 major U.S. trading partners.

**Gross national product (GNP):** The dollar amount of final goods and services produced by the United States. GNP is the sum of consumer spending, Federal Government purchases of goods and services, business investment, and exports less the amount of imports. This statistic is reported quarterly but is revised in each of the 2 months following the initial release. Nominal GNP measures final goods and services at current prices. Real GNP measures final goods and services in 1982 prices to adjust for inflation.

**Inflation rate:** The percentage change in a measure of the average price level. Changes are reported on a monthly basis and are stated as annual rates for longer term comparisons. The two major measures of the average price level are the Consumer and Producer Price Indexes.

**Labor force participation rate:** The civilian labor force as a percentage of the civilian noninstitutional population 16 and older.

**Metro areas:** Metropolitan Statistical Areas (MSA's), as defined by the Office of Management and Budget, include core counties containing a city of 50,000 or more people and a total area population of at least 100,000. Additional contiguous counties are included in the MSA if they are economically and socially integrated with the core county. Metro areas are divided into central cities and areas outside central cities (suburbs). Throughout this publication, "urban" and "metro" have been used interchangeably to refer to people and places within MSA's.

**Nonmetro areas:** Counties outside metro area boundaries. Throughout this publication, "rural" and "nonmetro" are used interchangeably to refer to people and places outside of MSA's.

**Nonmetro county rural-urban continuum classification:** A classification that distinguishes among nonmetro counties by degree of urbanization and proximity to metro areas. The categories are as follows:

Urban adjacent—aggregate urban population (people living in places of 2,500 or more population) of 20,000 or more, adjacent to a metro area.
Urban nonadjacent—urban population of 20,000 or more, not adjacent to a metro area.
Less urban adjacent—urban population of 2,500 to 19,999, adjacent to a metro area.
Less urban nonadjacent—urban population of 2,500 to 19,999, not adjacent to a metro area.
Rural adjacent—completely rural (county contains no place of 2,500 or more population), adjacent to a metro area.
Rural nonadjacent—completely rural, not adjacent to a metro area.

This nonmetro classification is part of a larger classification that also groups metro areas by size. For further information, see Margaret A. Butler, ***Rural-Urban Continuum Codes for Metro and Nonmetro Counties***, AGES 9028, U.S. Department of Agriculture, Economic Research Service, April 1990.

**Nonmetro minority counties:** A classification of nonmetro counties by race and ethnicity. Minority counties are nonmetro counties in which 25 percent or more of the total population in 1990 belonged to a single minority group—Black, Hispanic, or Native American. The groups are as follows:

Black—332 nonmetro counties in which 63.1 percent of all nonmetro Blacks lived in 1990.
Hispanic—123 nonmetro counties in which 51.1 percent of all nonmetro Hispanics lived in 1990.
Native American—44 nonmetro counties in which 41.3 percent of all nonmetro Native Americans (American Indians, Eskimos, and Aleuts) lived in 1990.

**Producer Price Index:** A measure of the average price received by producers of finished goods at the wholesale level during a specific period compared against a benchmark period.

**Unemployment rate:** The number of unemployed people 16 years and older as a percentage of the civilian labor force 16 years and older.

## Appendix table 1—Nonmetro employment: Quarterly and annual averages

| Year/quarter | Labor force | Labor force participation | Employment | Unemployment | Unemployment rate | Adjusted unemployment rate[1] |
|---|---|---|---|---|---|---|
| | *Thousands* | *Percent* | —*Thousands*— | | —*Percent*— | |
| 1991: | | | | | | |
| 3rd | 26,364 | 62.9 | 24,683 | 1,681 | 6.4 | 10.3 |
| 2nd | 26,529 | 63.1 | 24,673 | 1,856 | 7.0 | 10.7 |
| 1st | 26,049 | 61.9 | 23,898 | 2,151 | 8.3 | 12.3 |
| 1990: | | | | | | |
| 4th | 26,361 | 62.6 | 24,776 | 1,585 | 6.0 | 9.7 |
| 3rd | 26,607 | 63.2 | 25,158 | 1,450 | 5.4 | 8.8 |
| 2nd | 26,417 | 63.2 | 24,934 | 1,483 | 5.6 | 8.9 |
| 1st | 25,893 | 62.2 | 24,196 | 1,697 | 6.6 | 10.0 |
| 1989: | | | | | | |
| 4th | 26,168 | 62.8 | 24,778 | 1,390 | 5.3 | 8.6 |
| 3rd | 26,783 | 64.1 | 25,323 | 1,459 | 5.4 | 8.7 |
| 2nd | 26,389 | 63.5 | 24,919 | 1,470 | 5.6 | 8.9 |
| 1st | 25,441 | 62.2 | 23,807 | 1,634 | 6.4 | 10.2 |
| 1988: | | | | | | |
| 4th | 25,510 | 62.8 | 24,042 | 1,469 | 5.8 | 9.4 |
| 3rd | 25,793 | 63.2 | 24,294 | 1,499 | 5.8 | 9.6 |
| 2nd | 25,513 | 62.4 | 23,978 | 1,535 | 6.0 | 9.8 |
| 1st | 24,819 | 61.2 | 22,996 | 1,823 | 7.3 | 11.6 |
| 1987: | | | | | | |
| 4th | 25,087 | 62.3 | 23,449 | 1,638 | 6.5 | 10.6 |
| 3rd | 25,277 | 62.9 | 23,634 | 1,643 | 6.5 | 10.5 |
| 2nd | 25,186 | 62.2 | 23,437 | 1,749 | 6.9 | 10.9 |
| 1st | 24,856 | 61.0 | 22,688 | 2,167 | 8.7 | 13.1 |
| 1990 | 26,319 | 62.8 | 24,766 | 1,554 | 5.9 | 9.4 |
| 1989 | 26,209 | 63.2 | 24,718 | 1,491 | 5.7 | 9.1 |
| 1988 | 25,409 | 62.4 | 23,827 | 1,582 | 6.2 | 10.1 |
| 1987 | 25,101 | 62.1 | 23,302 | 1,799 | 7.2 | 11.3 |
| 1986 | 25,171 | 61.9 | 23,091 | 2,080 | 8.3 | 12.8 |
| 1985 | 24,781 | 61.2 | 22,700 | 2,081 | 8.4 | 13.0 |
| 1984 | 34,725 | 62.1 | 31,930 | 2,796 | 8.1 | 12.2 |
| 1983 | 34,156 | 61.8 | 30,696 | 3,460 | 10.1 | 14.9 |
| 1982 | 33,740 | 61.7 | 30,335 | 3,405 | 10.1 | 14.9 |
| 1981 | 33,092 | 61.9 | 30,488 | 2,603 | 7.9 | 11.5 |
| 1980 | 32,512 | 61.7 | 30,150 | 2,362 | 7.3 | 10.7 |
| 1979 | 31,716 | 61.5 | 29,916 | 1,800 | 5.7 | 8.5 |

Note: Beginning in 1985, estimation procedures for the Current Population Survey are based on the 1980 Census. That change accounts for the large drop in the nonmetro labor force between 1984 and 1985.

[1] Unemployment rate adjusted to include discouraged workers and half of the workers employed part time for economic reasons.

Source: Bureau of the Census, Current Population Survey.

## Appendix table 2—Metro employment: Quarterly and annual averages

| Year/quarter | Labor force | Labor force participation | Employment | Unemployment | Unemployment rate | Adjusted unemployment rate[1] |
|---|---|---|---|---|---|---|
| | *Thousands* | *Percent* | *Thousands* | *Thousands* | *Percent* | *Percent* |
| 1991: | | | | | | |
| 3rd | 99,912 | 67.5 | 93,299 | 6,613 | 6.6 | 9.7 |
| 2nd | 99,017 | 67.1 | 92,522 | 6,496 | 6.6 | 9.4 |
| 1st | 97,984 | 66.6 | 91,362 | 6,622 | 6.8 | 9.7 |
| 1990: | | | | | | |
| 4th | 98,463 | 67.2 | 92,956 | 5,507 | 5.6 | 8.2 |
| 3rd | 99,290 | 67.9 | 93,872 | 5,417 | 5.5 | 8.0 |
| 2nd | 98,504 | 67.4 | 93,480 | 5,024 | 5.1 | 7.4 |
| 1st | 97,615 | 67.0 | 92,283 | 5,332 | 5.5 | 7.8 |
| 1989: | | | | | | |
| 4th | 98,191 | 67.5 | 93,242 | 4,949 | 5.0 | 7.3 |
| 3rd | 98,373 | 67.9 | 93,366 | 5,007 | 5.1 | 7.5 |
| 2nd | 97,391 | 67.4 | 92,449 | 4,942 | 5.1 | 7.5 |
| 1st | 96,633 | 66.7 | 91,411 | 5,223 | 5.4 | 7.9 |
| 1988: | | | | | | |
| 4th | 96,886 | 67.0 | 92,139 | 4,748 | 4.9 | 7.4 |
| 3rd | 97,249 | 67.5 | 92,132 | 5,117 | 5.3 | 8.0 |
| 2nd | 95,843 | 66.8 | 90,801 | 5,042 | 5.3 | 7.8 |
| 1st | 95,061 | 66.3 | 89,492 | 5,569 | 5.9 | 8.6 |
| 1987: | | | | | | |
| 4th | 95,433 | 66.6 | 90,347 | 5,086 | 5.3 | 7.9 |
| 3rd | 95,924 | 67.2 | 90,434 | 5,490 | 5.7 | 8.6 |
| 2nd | 94,546 | 66.6 | 88,869 | 5,677 | 6.0 | 8.7 |
| 1st | 93,152 | 65.9 | 86,904 | 6,249 | 6.7 | 9.6 |
| 1990 | 98,468 | 67.4 | 93,148 | 5,320 | 5.4 | 7.9 |
| 1989 | 97,660 | 67.4 | 92,624 | 5,036 | 5.2 | 7.5 |
| 1988 | 96,260 | 66.9 | 91,141 | 5,119 | 5.3 | 7.9 |
| 1987 | 94,764 | 66.6 | 89,138 | 5,625 | 5.9 | 8.7 |
| 1986 | 92,665 | 66.2 | 86,508 | 6,157 | 6.6 | 9.5 |
| 1985 | 90,684 | 65.9 | 84,453 | 6,231 | 6.9 | 9.9 |
| 1984 | 78,819 | 65.4 | 73,076 | 5,743 | 7.3 | 10.4 |
| 1983 | 77,394 | 65.1 | 70,137 | 7,257 | 9.4 | 13.1 |
| 1982 | 76,465 | 65.1 | 69,192 | 7,273 | 9.5 | 13.1 |
| 1981 | 73,301 | 64.9 | 67,825 | 5,476 | 7.5 | 10.3 |
| 1980 | 72,207 | 64.8 | 67,120 | 5,087 | 7.0 | 9.5 |
| 1979 | 71,192 | 64.7 | 67,029 | 4,163 | 5.8 | 8.0 |

Note: Beginning in 1985, estimation procedures for the Current Population Survey are based on the 1980 Census.

[1] Unemployment rate adjusted to include discouraged workers and half of the workers employed part time for economic reasons.

Source: Bureau of the Census, Current Population Survey.

## Appendix table 3—Average unemployment rates for nonmetro county groups

| Item | Average over first three quarters of each year | | |
|---|---|---|---|
| | 1989 | 1990 | 1991 |
| | | *Percent* | |
| U.S. total | 5.4 | 5.5 | 6.8 |
| Metro | 5.1 | 5.2 | 6.5 |
| Nonmetro | 6.7 | 6.5 | 7.7 |
| Region: | | | |
| Northeast | 5.3 | 5.9 | 8.2 |
| Midwest | 6.0 | 6.1 | 7.0 |
| South | 7.1 | 6.6 | 8.1 |
| West | 7.9 | 7.1 | 8.0 |
| County type: | | | |
| Farming | 6.7 | 6.2 | 7.0 |
| Manufacturing | 6.5 | 6.6 | 8.1 |
| Mining | 9.0 | 7.8 | 9.3 |
| Government | 6.8 | 6.5 | 7.7 |
| Retirement | 6.8 | 6.7 | 7.9 |
| Urban-rural continuum: | | | |
| Adjacent— | | | |
| Urban | 6.1 | 6.2 | 7.7 |
| Less urban | 6.7 | 6.6 | 8.0 |
| Rural | 6.8 | 6.6 | 8.0 |
| Nonadjacent— | | | |
| Urban | 7.0 | 6.4 | 7.5 |
| Less urban | 6.8 | 6.6 | 7.6 |
| Rural | 6.7 | 6.5 | 7.7 |
| Minority counties: | | | |
| Black | 7.5 | 6.9 | 8.4 |
| Hispanic | 10.5 | 9.4 | 10.2 |
| Native American | 9.1 | 8.7 | 9.4 |

Source: Bureau of Labor Statistics.

## Appendix table 4—Average employment change for nonmetro county groups

| Item | Average change over first three quarters of each year | | |
|---|---|---|---|
| | 1988-89 | 1989-90 | 1990-91 |
| | | *Percent* | |
| U.S. total | 2.2 | 0.7 | -0.9 |
| Metro | 2.1 | .6 | -1.0 |
| Nonmetro | 2.4 | .9 | -.3 |
| Region: | | | |
| Northeast | 2.0 | 1.1 | -2.3 |
| Midwest | 2.2 | .2 | .1 |
| South | 2.3 | 1.1 | -.2 |
| West | 3.7 | 1.5 | -.1 |
| County type: | | | |
| Farming | 1.3 | .1 | 0 |
| Manufacturing | 2.3 | .4 | -1.0 |
| Mining | 1.6 | 2.0 | -.1 |
| Government | 3.0 | 1.3 | -.7 |
| Retirement | 2.8 | 1.6 | .3 |
| Urban-rural continuum: | | | |
| Adjacent— | | | |
| Urban | 2.7 | .7 | -.7 |
| Less urban | 2.6 | .4 | -.3 |
| Rural | 2.6 | .4 | .1 |
| Nonadjacent— | | | |
| Urban | 2.8 | 1.4 | -.3 |
| Less urban | 2.1 | 1.0 | -.3 |
| Rural | 1.3 | 1.6 | -.2 |
| Minority counties: | | | |
| Black | 2.9 | .5 | -.8 |
| Hispanic | 2.7 | .3 | .2 |
| Native American | 3.2 | .6 | -1.5 |

Source: Bureau of Labor Statistics.

## Appendix table 5—Nonmetro employment and unemployment by State

| State | Averages over first three quarters of each year: Employment change 1989-90 | Employment change 1990-91 | Unemployment rate 1990 | Unemployment rate 1991 |
|---|---|---|---|---|
| | *Percent* | | | |
| Alabama | -1.5 | 0.2 | 8.1 | 8.7 |
| Alaska | .2 | -1.3 | 8.5 | 9.1 |
| Arizona | 2.5 | -.8 | 9.9 | 9.1 |
| Arkansas | .6 | -1.6 | 7.6 | 8.2 |
| California | -2.3 | -1.2 | 9.1 | 11.7 |
| Colorado | 6.6 | 1.3 | 5.9 | 6.3 |
| Connecticut | .8 | -.6 | 6.0 | 7.1 |
| Delaware | -.4 | -.9 | 5.2 | 7.0 |
| Florida | 4.1 | 3.7 | 7.0 | 8.0 |
| Georgia | .3 | -2.2 | 6.0 | 6.6 |
| Hawaii | 4.9 | 5.5 | 3.5 | 3.6 |
| Idaho | .5 | .8 | 6.6 | 7.0 |
| Illinois | -.8 | .1 | 7.9 | 8.4 |
| Indiana | -2.7 | -2.4 | 6.3 | 7.3 |
| Iowa | -1.6 | -.6 | 4.4 | 5.1 |
| Kansas | .6 | .2 | 4.2 | 4.7 |
| Kentucky | 2.8 | 0 | 7.2 | 8.8 |
| Louisiana | 1.4 | 1.7 | 7.7 | 9.1 |
| Maine | 3.4 | -1.7 | 5.2 | 8.2 |
| Maryland | .7 | -1.6 | 6.0 | 7.4 |
| Massachusetts | -1.1 | -4.4 | 6.3 | 10.1 |
| Michigan | 1.3 | -1.3 | 9.0 | 10.9 |
| Minnesota | 4.1 | 4.5 | 5.9 | 6.1 |
| Mississippi | 2.2 | -.7 | 8.3 | 9.9 |
| Missouri | 1.2 | 1.2 | 6.6 | 7.5 |
| Montana | .2 | -2.0 | 5.7 | 7.3 |
| Nebraska | 3.9 | 2.3 | 2.3 | 2.6 |
| Nevada | -.4 | 1.2 | 5.1 | 5.4 |
| New Hampshire | 3.6 | -.4 | 5.0 | 6.7 |
| New Mexico | 1.7 | .7 | 7.2 | 8.4 |
| New York | 1.8 | -2.7 | 5.5 | 7.8 |
| North Carolina | -.3 | -1.5 | 4.7 | 7.1 |
| North Dakota | -3.1 | -3.2 | 4.9 | 4.9 |
| Ohio | -.1 | -.9 | 7.3 | 8.5 |
| Oklahoma | 2.6 | -1.7 | 6.0 | 7.4 |
| Oregon | .8 | -.2 | 7.2 | 7.7 |
| Pennsylvania | .2 | -2.2 | 7.0 | 9.1 |
| Rhode Island | -7.5 | -2.7 | 6.1 | 7.9 |
| South Carolina | 1.4 | -1.9 | 5.9 | 8.1 |
| South Dakota | 0 | -.1 | 4.0 | 3.8 |
| Tennessee | 3.1 | -1.5 | 6.8 | 8.8 |
| Texas | -.4 | 1.5 | 6.3 | 6.6 |
| Utah | .2 | 1.5 | 5.6 | 6.0 |
| Vermont | -.2 | -3.2 | 5.0 | 7.5 |
| Virginia | 1.4 | 2.9 | 6.1 | 8.3 |
| Washington | 3.8 | -1.5 | 7.0 | 8.7 |
| West Virginia | 1.6 | -.9 | 9.2 | 11.2 |
| Wisconsin | .3 | .3 | 5.3 | 6.3 |
| Wyoming | 4.7 | -.7 | 5.1 | 5.2 |

Note: There are no nonmetro counties in the District of Columbia or New Jersey.

Source: Bureau of Labor Statistics.

## Appendix table 6—Metro employment and unemployment by State

| State | Averages over first three quarters of each year |  |  |  |
|---|---|---|---|---|
|  | Employment change |  | Unemployment rate |  |
|  | 1989-90 | 1990-91 | 1990 | 1991 |
|  | *Percent* |  |  |  |
| Alabama | -0.5 | -0.1 | 6.0 | 6.4 |
| Alaska | 2.7 | 1.1 | 5.3 | 6.0 |
| Arizona | .8 | -.1 | 4.3 | 4.2 |
| Arkansas | .6 | -1.6 | 6.1 | 6.8 |
| California | 1.3 | -1.7 | 5.2 | 7.5 |
| Colorado | 3.9 | 1.7 | 5.0 | 4.9 |
| Connecticut | -.1 | -1.3 | 5.1 | 5.9 |
| Delaware | -1.3 | -1.6 | 4.8 | 6.7 |
| District of Columbia | -7.1 | -5.1 | 6.7 | 7.5 |
| Florida | 2.1 | -.7 | 5.8 | 7.3 |
| Georgia | 1.4 | -1.2 | 4.9 | 5.4 |
| Hawaii | 1.6 | 2.9 | 2.6 | 2.3 |
| Idaho | 2.3 | 1.5 | 3.9 | 4.1 |
| Illinois | 0 | -.3 | 5.9 | 6.5 |
| Indiana | -2.5 | -.6 | 4.9 | 5.7 |
| Iowa | -.6 | 1.0 | 4.0 | 4.7 |
| Kansas | .9 | 1.1 | 4.4 | 4.9 |
| Kentucky | 1.4 | -1.6 | 4.9 | 5.9 |
| Louisiana | .2 | 2.0 | 5.8 | 6.3 |
| Maine | 2.1 | -2.6 | 4.4 | 7.4 |
| Maryland | .4 | -1.5 | 4.2 | 5.6 |
| Massachusetts | -2.3 | -5.6 | 5.8 | 9.2 |
| Michigan | -.7 | -3.2 | 7.3 | 9.0 |
| Minnesota | 1.3 | 1.0 | 4.5 | 4.9 |
| Mississippi | 2.6 | .1 | 5.8 | 6.6 |
| Missouri | 0 | .6 | 5.2 | 6.3 |
| Montana | 1.3 | .6 | 4.7 | 5.3 |
| Nebraska | 5.3 | 2.8 | 2.2 | 2.6 |
| Nevada | 5.1 | 3.5 | 4.7 | 5.9 |
| New Hampshire | .3 | -.4 | 5.9 | 7.4 |
| New Jersey | .6 | -2.3 | 4.8 | 6.5 |
| New Mexico | .3 | .1 | 5.3 | 6.1 |
| New York | .3 | -3.1 | 5.1 | 7.0 |
| North Carolina | .5 | -.9 | 3.2 | 5.0 |
| North Dakota | 0 | .2 | 3.2 | 3.2 |
| Ohio | -.1 | -.5 | 5.3 | 6.1 |
| Oklahoma | .6 | -2.7 | 5.3 | 6.2 |
| Oregon | 1.0 | 1.9 | 4.8 | 5.3 |
| Pennsylvania | -.2 | -1.4 | 5.0 | 6.7 |
| Rhode Island | -4.5 | -1.8 | 7.0 | 8.4 |
| South Carolina | 2.6 | .2 | 3.7 | 4.9 |
| South Dakota | 2.1 | .3 | 2.8 | 2.7 |
| Tennessee | .9 | -.7 | 4.4 | 5.4 |
| Texas | 1.2 | 1.1 | 6.1 | 6.5 |
| Utah | 1.0 | 1.8 | 4.2 | 4.6 |
| Vermont | -.3 | -3.2 | 3.2 | 4.8 |
| Virginia | .7 | .5 | 3.5 | 4.9 |
| Washington | 4.6 | -1.6 | 4.4 | 5.7 |
| West Virginia | 1.9 | -.9 | 6.3 | 7.9 |
| Wisconsin | -1.9 | -1.3 | 4.1 | 5.0 |
| Wyoming | 5.9 | -1.4 | 5.7 | 6.1 |

Source: Bureau of Labor Statistics.

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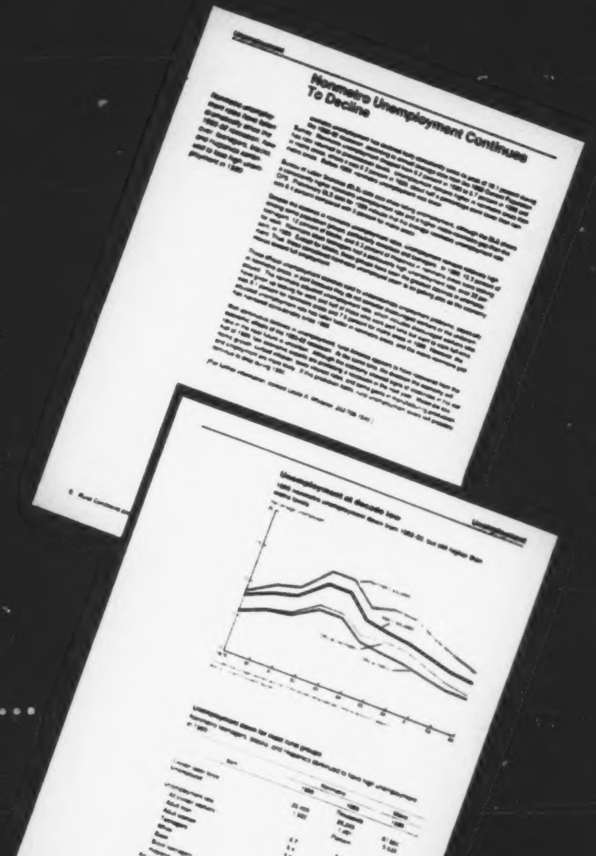

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# Rural Conditions and Trends

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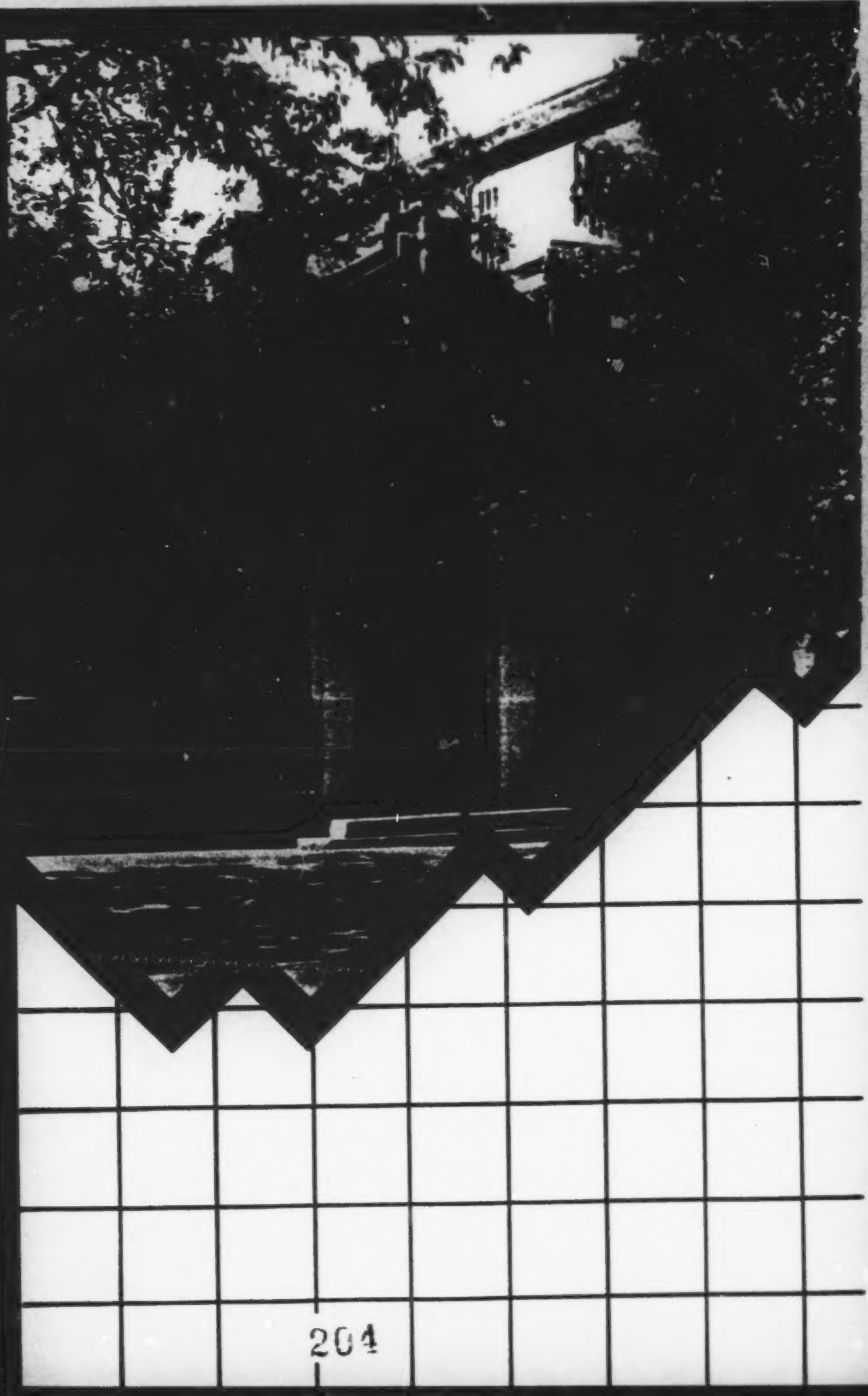
Rural and urban unemployment rates converge

Rural earnings, income remain well below urban

The college-educated still leaving rural areas



# Rural Conditions and Trends

Spring 1992, Vol. 3, No. 1

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# Rural and Urban Unemployment Rates Converge, Other Gaps Remain

*Rural and urban unemployment rates converged in late 1991. But, rural-urban gaps in earnings, income, and poverty rates remain wide. Better educated rural people continue to move to urban areas.*

Rural and urban unemployment rates for the last half of 1991 were virtually identical. The urban unemployment rate has not been as high as the rural rate since 1979. The adjusted unemployment rate, which includes those who have stopped looking for work and half of those who involuntarily work part time, dropped in rural areas but remained somewhat higher than in urban areas.

The national economy remains sluggish in early 1992. Production, government purchases, and consumer spending have all declined. Consumer spending is down because personal income growth has not kept pace with inflation and low consumer confidence has caused people to use more of their income to reduce installment debt or increase savings rather than spend. Hopeful signs for improvement in the economy include a shrinking trade deficit, low short-term interest rates and inflation, and increased housing starts.

Forecasters expect modest growth in 1992, with slightly reduced unemployment by the end of the year. This recession hit rural and urban areas about equally as hard and rural and urban unemployment rates have converged, but whether rural and urban areas will recover at the same rate remains to be seen.

Other indicators of the relative position of rural areas have shown little movement toward parity with urban areas in recent years. In 1989, rural earnings per job were lower than urban earnings in every industry in every region of the country. At the national level, the ratio of rural to urban earnings varied slightly from year to year, but remained at about 75 percent throughout the 1980's. Although the earnings data are somewhat dated, rural earnings per job have probably not gained significantly on urban earnings since 1989.

In 1990, rural median household income was 75 percent of urban income, and the rural poverty rate was 3.6 percentage points higher than the urban rate. Rural-urban differences in household incomes and poverty rates are particularly wide for Blacks. Rural Blacks are even disadvantaged compared with central city Blacks living in large metro areas ($13,119 versus $17,476 median household income and 40.8 versus 33.8 percent poor). Although the urban underclass has been the focus of much research and media attention in recent years, Blacks face even more trying economic conditions in rural areas.

Perhaps the trend with the most telling consequences for the future of rural areas is the loss of better educated people to urban areas. Wider opportunities for jobs requiring higher skills and paying higher wages in metro areas undoubtedly contributed to the loss of college-educated nonmetro people to metro areas. If rural areas do not find ways to create or attract high-skill, high-wage jobs, then there may be little that can be done to close the earnings, income, and poverty gaps and keep more highly educated residents in rural areas. *[Linda M. Ghelfi, 202/219-0541]*

# Sluggish Economy Continues

*The overall economy remains sluggish, despite low inflation and interest rates. Movements in consumer spending and long-term interest rates will largely determine where the economy is headed.*

The economy continued to be sluggish in late 1991 and early 1992, with employment and production declining. Weak consumer spending, decreases in government purchases, and a decline in real business spending on plant and equipment contributed to overall weakness. One bright spot in the fourth quarter of 1991 was a sharp decline in the foreign trade deficit, which helped to bring the real net export deficit for 1991 to its lowest level since 1982. Gains in housing starts and sharp increases in retail sales were signs of recovery that appeared early this year. It is too soon, however, to conclude that the signs of increasing activity indicate the beginning of the upturn. Changes in consumer spending and long-term interest rates appear to be the key factors determining the recovery's strength in the near future.

**Consumer Spending Weak**

To get underway, a recovery must get a boost in consumer spending because it accounts for about two-thirds of gross domestic product (GDP). Consumer spending grew less than 2 percent in 1989 and 1990, and fell 0.1 percent in 1991, the first decline since 1980. The primary factor behind slow consumer spending growth has been slow income growth. Job losses and an increasing percentage of the labor force working part time have contributed to declining real per capita income, which has fallen in five of the last six quarters. Moreover, interest income, which rose 6.4 percent a year between 1985 and 1990, fell in 1991 as interest rates on consumer deposit accounts declined.

Factors other than falling income also help to explain sluggish consumer activity. Consumers appear to be using their income to reduce debt or increase savings rather than spend on goods and services. Consumer installment debt decreased from 18.6 percent of personal income in 1989 to 17.3 percent in 1991. The personal savings rate rose to its highest level in 5 years in 1991. Reducing debt and increasing savings are consistent with the depressed level of consumer confidence, which in early 1992 hit its lowest level since 1974.

**Interest Rates and the Economy**

When interest rates began falling quickly in late 1990, many analysts projected that the economy would begin to recover by the middle of 1991, because the economy usually takes about 6 to 12 months to respond to interest rate changes. That projection appeared to be on track in the spring and early summer of 1991, but the economy has since been unable to sustain a significant rebound. Looking beyond the sharp declines in short-term interest rates may help explain why.

Although nominal short-term interest rates are at their lowest levels since 1972, real interest rates—nominal interest rates less the rate of inflation—were much lower in the later stages of other recessions. For example, real 3-month Treasury bill rates were negative in the last 4 quarters of the recession that ended in 1975, while they averaged 2.9 percent in the fourth quarter of 1991. Economists argue that real interest rates are more important to spending and investment decisions than nominal rates, because real rates account for the loss in purchasing power from inflation. Thus, relatively high real interest rates may be retarding growth.

Movements in long-term interest rates are more important than movements in short-term rates for plant and equipment spending decisions. Long-term rates have not fallen as much as short-term rates, and the spread between them reached its highest level in more than 50 years. The relatively high long-term rates may be discouraging business investment and contributing to slow economic growth.

Why is the spread so wide? Long-term rates reflect a consensus view of how high inflation will be over the next several years. Although inflation is currently low, if it is generally expected to rise substantially when the economy recovers, then long-term rates will be higher now to incorporate the expectations. At the same time, short-term rates will be relatively unaffected by longer term inflation expectations. The result of an expected inflation increase is a relatively wide gap between long- and short-term rates.

General uncertainty may also be contributing to relatively high long-term rates. Lenders may be demanding a premium for the risk associated with committing funds for a longer term in the current uncertain environment. Uneasiness about fiscal policy, the Presidential election, and the long-term health of the economy may be important contributors to overall uncertainty.

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### The Outlook: Slow Recovery

Most forecasters still project the economy will gather strength through 1992, although the recovery is expected to be modest by historical standards. Forecasters expect real GDP to rise 1.5 percent in 1992, after falling about 0.7 percent in 1991, according to a survey conducted by the National Association of Business Economists. The unemployment rate is projected to average about 6.9 percent for 1992, slightly below the first-quarter rate.

Consumer price inflation is predicted to be around 3.2 percent. Annual inflation has not been that low since 1986, when oil prices dropped significantly. Short-term interest rates should remain around their current levels, and long-term rates are projected to fall slightly. Real interest rates are expected to be down slightly from 1991, and most analysts predict little change in the exchange value of the dollar in 1992.

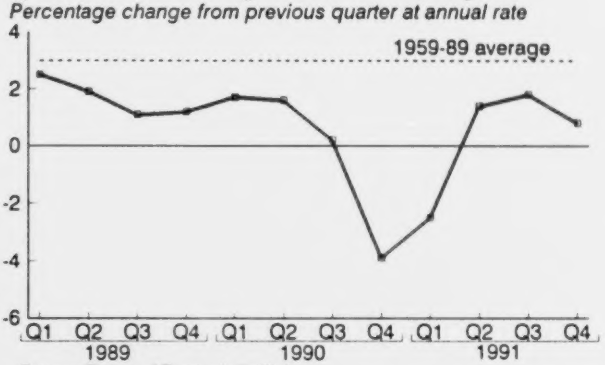
### Effects on the Rural Sector

The overall economic environment should be a mildly positive factor for rural employment prospects. Preliminary research has shown that changes in the overall unemployment rate are generally matched by changes in the nonmetro rate. Because the overall unemployment rate is expected to fall slightly during 1992, nonmetro rates should follow suit.

Even though the nonmetro unemployment rate tends to mimic movements in the metro rate, the two rates react differently to changes in interest rates. The nonmetro unemployment rate appears to respond more strongly to real interest rates and exchange rates than does the overall unemployment rate. However, these two factors currently have offsetting effects on rural unemployment. Real interest rates have been relatively high, tending to raise the nonmetro rate relative to the overall unemployment rate, while the value of the dollar remains relatively low, tending to lower the nonmetro rate relative to the overall unemployment rate. *[Analysis reflects data available as of March 15, 1992. Jennifer L. Beattie and R.M. Monaco, 202/219-0782]*

**Growth in real gross domestic product**

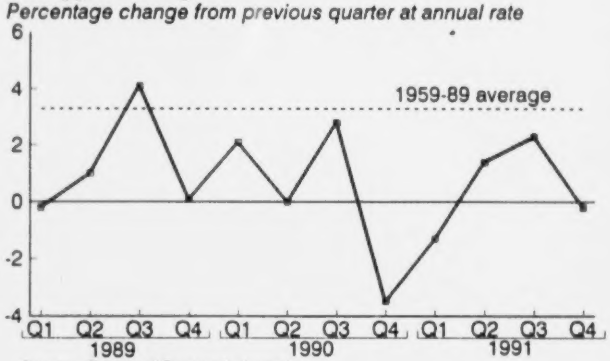
**Since 1988, real GDP growth has been below the 3-percent annual average rate of the last 30 years**



Source: Bureau of Economic Analysis.

**Growth in real consumer spending**

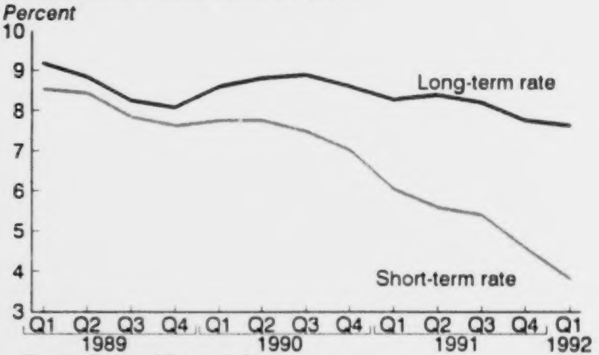
**Below-average consumer spending is contributing to sluggish GDP growth**



Source: Bureau of Economic Analysis.

**Long- and short-term Treasury interest rates**

**The spread between long- and short-term rates is at its widest in more than 50 years**



Source: Bureau of Economic Analysis.

# Rural Employment Falls in 1991

*The recession hit rural areas as employment dropped by 267,000 workers in 1991. Rural employment fell for almost all major demographic groups, with younger workers, men, and Hispanics hardest hit. But, the decline in rural employment appeared to have slowed by the end of the year.*

Rural employment declined by 1.1 percent in 1991, according to data from the Current Population Survey (CPS). Rural employment growth had weakened in 1990 after it peaked at 3.7 percent in 1989. The 1991 decline in annual average rural employment was the first since the 1982 recession. Urban employment also declined in 1991, by 0.8 percent.

Preliminary county-level data from the Bureau of Labor Statistics (BLS) also show employment declining in 1991. The BLS estimates are not substantively different from the CPS estimates, but they do show a slightly steeper employment decline in urban than in rural areas. CPS rural estimates are generally more reliable than BLS numbers because they are based on a nationally representative sample of rural workers. BLS estimates are based on more indirect evidence from a survey of businesses, but they have the advantage of providing geographic detail not available in the CPS data.

**Rural Employment Decline Slows in Second Half of 1991**

Looking at changes over shorter periods, seasonally adjusted CPS data suggest that the rate of decline in rural employment may have slowed, from a 0.4-percent decline between the second half of 1990 and the first half of 1991 to a 0.1-percent decline from the first half to the second half of 1991. Urban employment declines held steady at 0.2 percent over the same periods.

**Employment Losses Highest Among the Young, Men, and Hispanics**

The largest declines in rural employment were among workers 16-24 years old (-4.3 percent) and young adults 25-34 years old (-3.4 percent) between 1990 and 1991. Employment edged up for rural workers 35-54 years old (1.2 percent) over the same period. Some of the employment decline among rural young adults 25-34 years old can be attributed to a drop in total number of persons in this age group.

Rural employment declined more among men (-1.6 percent) than among women, and more among Hispanics (-11.5 percent) than among Whites or Blacks in 1991. Urban employment change showed a similar pattern, except for Hispanics, who showed a slight increase in employment (0.7 percent).

**Employment-Population Ratio Drops**

The proportion of the rural working-age population who are employed (employment-population ratio) edged down a moderate 0.9 point to 58.2 percent in 1991. The urban decline in this ratio was more severe, falling 1.2 points to 62.5 percent. Last year's drop in the rural employment-population ratio was small and similar to the urban drop. In contrast, during the 1981-82 recession, the rural employment-population ratio fell 1.6 points to 55.4 percent, while the urban ratio dropped a smaller 1.1 points to 58.9 percent.

Rural areas have historically had lower employment-population ratios compared with urban areas, partly because rural areas have higher proportions of retired workers and women who are more likely to stay home with their families. The employment-population ratio has generally been rising in both rural and urban areas for the past 25 years as women's labor force participation has increased.

**Employment Prospects Uncertain**

Rural employment may have stabilized while urban job losses have continued, data for the second half of 1991 suggest. However, the outlook for the rural economy is closely tied to the national economy. Sustained rural job gains are unlikely until urban job growth resumes. *[Timothy S. Parker, 202/219-0541]*

## Employment change, 1985-91

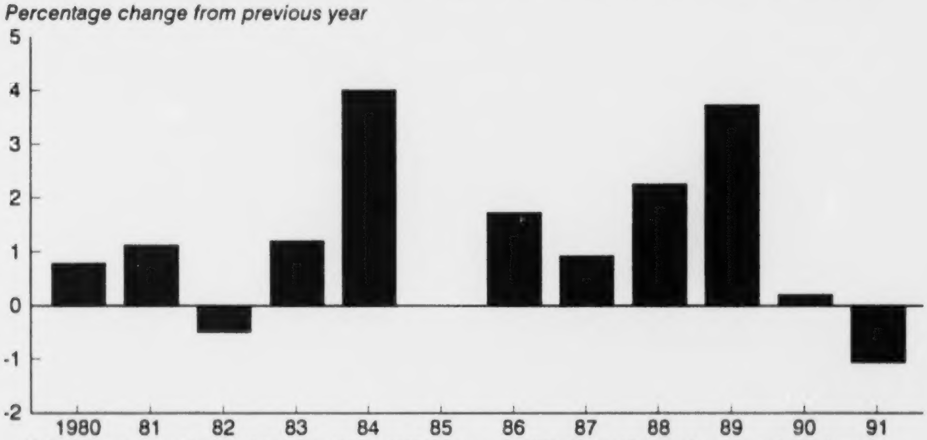
**Both nonmetro and metro employment fell in 1991**

| Area | 1986 | 1987 | 1988 | 1989 | 1990 | 1991 |
|---|---|---|---|---|---|---|
| | *Percentage change from previous year* | | | | | |
| United States | 2.3 | 2.6 | 2.2 | 2.1 | 0.5 | -0.9 |
| Metro | 2.5 | 3.0 | 2.2 | 1.6 | .6 | -.8 |
| Nonmetro | 1.7 | .9 | 2.3 | 3.7 | .2 | -1.1 |

Source: Current Population Survey.

## Nonmetro employment change, 1979-91

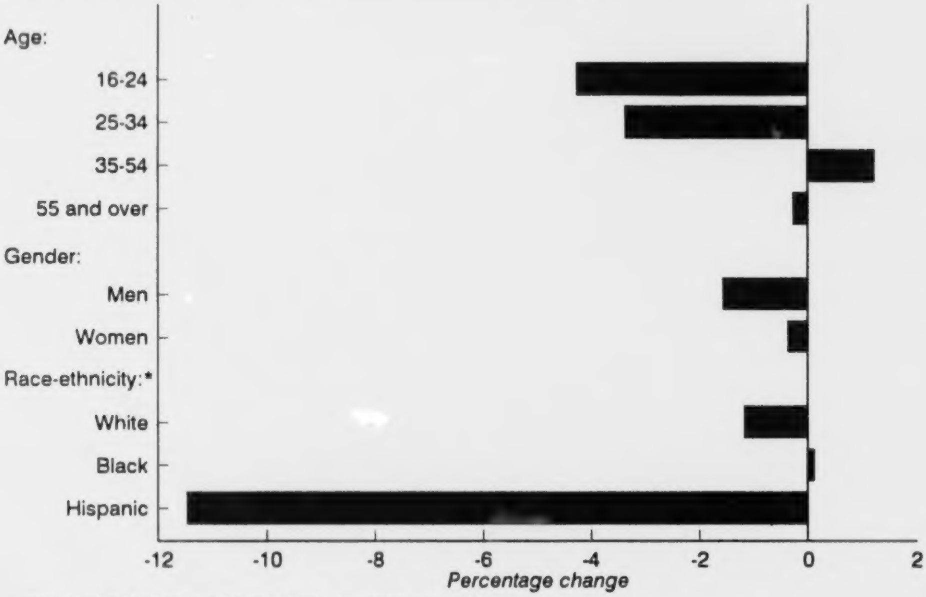
**Nonmetro employment declined in 1991 for the first time since the 1981-82 recession**



Note: Change cannot be calculated from 1984 to 1985 because the CPS changed its sample of nonmetro workers.
Source: Current Population Survey.

## Nonmetro employment change by demographic group, 1990-91

**Younger workers, men, and Hispanics suffered highest job losses**



*White includes all races other than Black. Hispanics can be of any race.
Source: Current Population Survey.

# Rural Unemployment Stays High in Fourth Quarter 1991

*Rural unemployment remained unchanged in the fourth quarter of 1991 at 6.9 percent. The recession caused unemployment to increase slightly more in urban than in rural areas in 1991. By the second half of 1991, rural unemployment was no higher than urban unemployment for the first time in over a decade.*

Rural unemployment remains at the relatively high level reached in early 1991. Men and young workers accounted for disproportionate shares of the recessionary rise in unemployment, following historic patterns. That unemployment has not fallen suggests that jobs continue to be scarce in many rural areas.

The rural unemployment rate in the fourth quarter was unchanged from the third quarter at 6.9 percent, according to seasonally adjusted Current Population Survey (CPS) data. Urban unemployment was also unchanged at 7.0 percent. The essential equality of rural and urban unemployment rates during the second half of 1991 represented the first time since the late 1970's that rural unemployment did not exceed urban.

Official unemployment rates may understate the full extent of employment difficulties because they omit individuals who want a job but have given up looking for work (discouraged workers) and those forced to accept part-time work. The fourth-quarter adjusted unemployment rate was 10.6 percent in rural areas, down from 10.9 percent in the third quarter. That rate includes discouraged workers and half of those who work part time but want to work full time. The urban adjusted unemployment rate rose slightly in the fourth quarter to 10.2 percent.

### Recessionary Increase Similar in Rural and Urban Areas

The increase in unemployment caused by the recent recession can be gauged by comparing annual average unemployment rates for 1990 with those for 1991. The rural unemployment rate rose from 5.9 to 7.0 percent, or by 1.1 percentage points. Urban unemployment increased by 1.2 percentage points, from 5.4 to 6.6 percent.

Quarterly data suggest that rural unemployment rates may have declined slightly in the second half of 1991 while urban unemployment rates continued to edge up. This difference accounts for the fact that urban unemployment in the fourth quarter of 1991 was a little higher than rural unemployment, even though the average urban unemployment rate for the entire year was a little lower than the rural rate.

### Rural Unemployment Highest for Young Workers, Men, and Minorities

Recessionary increases in unemployment affected all age groups, but the 2.2-percentage-point increase for teens and young adults was especially large. The greater vulnerability of younger workers to the recession probably resulted, at least in part, from "last hired, first fired" personnel policies. The uneven distribution of job losses reinforced the preexisting (and perennial) pattern that younger workers experience more unemployment than older workers. The annual average unemployment rate for 16- to 24-year-olds in 1991 was 14.5 percent compared with 5.9 percent for workers between the ages of 25 and 54 and just 3.6 percent for workers age 55 and older.

Unemployment increased more for men than for women. In 1990, the unemployment rates for men and women were both 5.9 percent. By 1991, the unemployment rate for men was moderately higher (7.2 versus 6.7 percent). The greater vulnerability of men to recessionary layoffs continued a historic pattern reflecting the relative concentration of men in cyclically sensitive production jobs.

Ethnic minorities continued to experience above-average unemployment. The 12.8-percent unemployment rate for Blacks was twice the rate for Whites (in the CPS unemployment data, "Whites" includes all racial groups other than Blacks). The Hispanic unemployment rate was an intermediate 9.1 percent. The recessionary increase in unemployment was larger for Whites than for Blacks, and Hispanic unemployment appears to have declined. Although the estimated number of unemployed Hispanics did not increase, total Hispanic employment fell, and the number classified as discouraged workers jumped sharply.

### Outlook Uncertain

National unemployment rates, available on a more timely basis than rural estimates, rose from 6.8 percent in November 1991 (the middle of the fourth quarter) to 7.3 percent in February of this year. This continuing increase suggests that rural unemployment rates will probably not fall much in the first half of 1992. Significant improvement in rural unemployment is unlikely until the national economy bounces back. Even then, relief will probably be gradual because recessionary increases in unemployment typically persist for some time after business conditions begin to improve. *[Paul Swaim, 202/219-0552]*

## Nonmetro unemployment by demographic group, 1990-91

**Young workers, men, and minorities have the highest rates of joblessness**

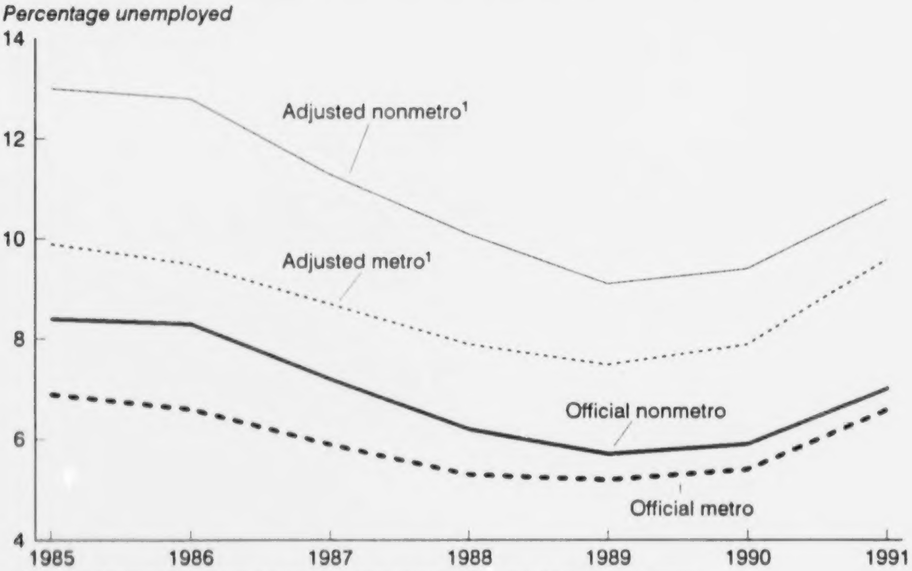
| Demographic group | Annual average unemployment rate 1990 | Annual average unemployment rate 1991 | Change in unemployment, 1990-91 |
|---|---|---|---|
| | *Percent* | *Percent* | *Percentage point* |
| Total nonmetro | 5.9 | 7.0 | 1.1 |
| Age: | | | |
| 16- to 24-year-olds | 12.3 | 14.5 | 2.2 |
| 25- to 54-year-olds | 4.9 | 5.9 | 1.0 |
| 55 or older | 3.2 | 3.6 | .4 |
| Sex: | | | |
| Women | 5.9 | 6.7 | .8 |
| Men | 5.9 | 7.2 | 1.3 |
| Race/ethnicity:[1] | | | |
| White | 5.3 | 6.4 | 1.1 |
| Black | 12.0 | 12.8 | .8 |
| Hispanic | 10.0 | 9.1 | -.9 |

[1] White includes all races other than Black. Hispanics can be of any race.

Source: Current Population Survey.

## Annual average unemployment rate, 1985-91

**Nonmetro unemployment rose in 1991, but the metro-nonmetro gap narrowed**



[1] Includes discouraged workers and half of workers employed part time for economic reasons.

Source: Current Population Survey.

# Goods-producing Industries Added More Rural Than Urban Jobs in 1989

*Three-quarters of rural job growth during 1989 was in service-producing industries. However, despite the faster growth of services and government and a tripling of the number of farm jobs lost, goods-producing industries provided more new jobs in rural areas than in urban areas.*

Most job growth in rural areas during 1989, the latest year for which detailed data are available, was in service-producing industries and government. Job growth in services, which includes personal, business, health, and legal services, alone accounted for 39 percent of net rural job growth, while 21 percent was in retail trade and 16 percent in government. The large share of job growth for services was due not only to services' large share of total jobs, reflecting the economywide employment shift from goods-producing to service-producing industries, but also to a slowdown in goods-producing job growth during 1989.

In 1988, rural goods-producing industries added 179,199 jobs or nearly a quarter of all jobs added in rural areas. In 1989, these industries added only 55,439 jobs or 9.5 percent of all new jobs. Job losses in farming tripled to 66,527 from 1988 to 1989 and manufacturing added only 75,961 jobs, just 52 percent of the number of manufacturing jobs added in 1988.

Overall job growth rates in rural and urban areas were similar but goods-producing industries accounted for a much larger share of new jobs in rural than in urban areas. In urban areas, job losses in manufacturing, farming, and mining offset most of the gains in other goods-producing industries. Goods-producing industries grew by 25,154 jobs in urban areas. As a result, only 1 percent of net urban job growth during 1989 was accounted for by goods-producing sectors.

While total rural job growth slowed in 1989, job growth increased in rural portions of the Rocky Mountain region and was essentially unchanged in the Far West. [Regions discussed here are those used by the Bureau of Economic Analysis (BEA), not the Bureau of the Census regions most often used in this report. See p. 13 for a map of the BEA regions and p. 22 for listings of States in the BEA and Census regions.] The rural portions of those two regions, New England, and the Mideast saw greater job growth than did their urban portions.

The rural Far West grew 4.6 percent, faster than the rural or urban areas in any of the eight regions. This high growth was due to unusually rapid growth in three sectors: construction grew 9 percent, mining nearly 15 percent, and agricultural services, forestry, and fisheries grew over 10 percent. Two other industry groups—wholesale trade and transportation, communications, and public utilities (TCPU)—had lower but still above-average growth. Rural jobs in the Far West grew nearly 1 percentage point faster than urban jobs, with only farming growing faster in urban areas than rural.

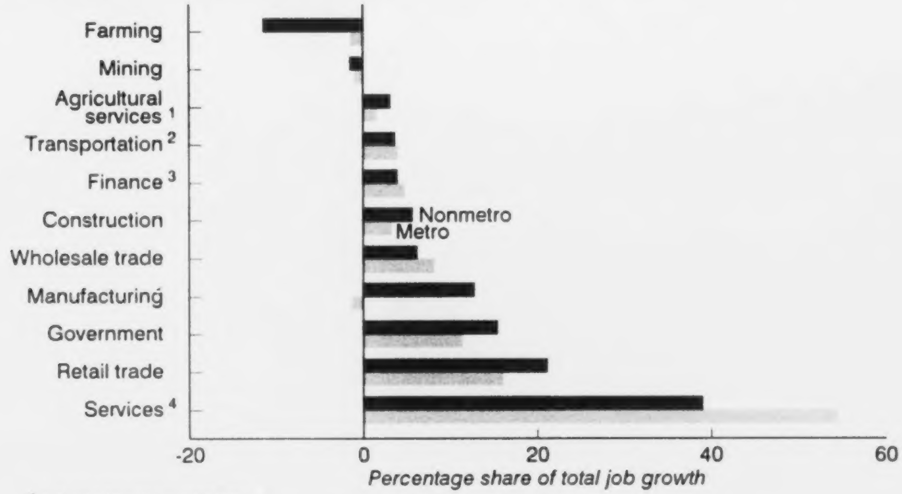
In the Rocky Mountain region, the second-fastest growing region for rural jobs, rural employment grew 3.2 percent, or 0.2 percentage point more than urban. As in the Far West, construction (6.9 percent) and wholesale trade (6.2 percent) were relatively fast growing. Mining contributed little to job growth, and manufacturing grew faster than in any other region.

Two other regions also experienced faster job growth in rural areas than in urban. Even though New England's rural job growth of 1.7 percent was a quarter below the average for all rural areas, there was essentially no job growth in New England urban areas. Every sector grew faster, or declined less, in rural areas. The rural Mideast also had below-average job growth but still exceeded urban growth by more than 60 percent. As in New England, almost all Mideastern rural sectors grew faster than their urban counterparts.

In the other four regions—the Great Lakes, Plains, Southeast, and Southwest—urban jobs grew faster than rural jobs. The Southwest had the slowest rural job growth rate (0.9 percent). The Southeast gained the most jobs in 1989—198,571 jobs or 34 percent of all rural job growth—despite losses of nearly 20,000 jobs in farming and mining. While the sectors with the largest gains in the rural Southeast were services (72,477 jobs), retail trade (44,175 jobs), and government (31,477 jobs), the Southeast accounted for 39 percent of all rural manufacturing growth and 45 percent of all rural job growth in transportation, communications, and public utilities. *[Andy Bernat and Martha Frederick, 202/219-0540]*

## Industry share of job growth, 1988-89

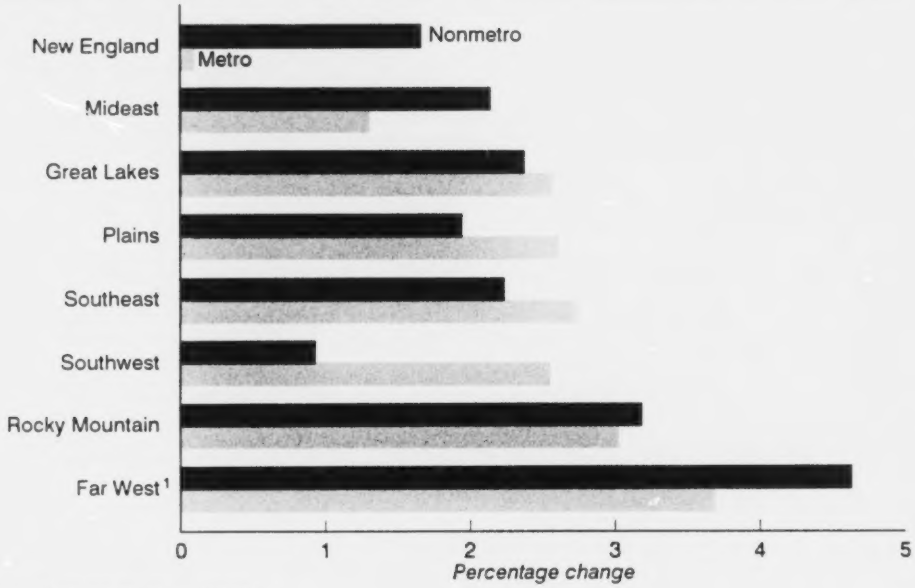
**Services dominated job growth, but manufacturing jobs increased in nonmetro areas while they became scarcer in metro areas**



[1] Includes forestry and fishing.
[2] Includes communications and public utilities.
[3] Includes insurance and real estate.
[4] Includes health, legal, educational, recreational, business, repair, and personal services.
Source: Bureau of Economic Analysis.

## Change in jobs by region, 1988-89

**Nonmetro job growth was over 3 percent in the Rocky Mountain and Far West regions**



[1] Includes Alaska and Hawaii.
Source: Bureau of Economic Analysis.

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# Rural Earnings Gap Persists

*Rural earnings per job were lower than urban earnings in all regions in 1989. Lower rural earnings in every industry contributed to the gap.*

Rural earnings per job stood at $18,142 in 1989, the most recent year for which these data are available. Urban earnings per job were $24,348, leaving rural earnings at 73.8 percent of urban earnings. Rural earnings per job remained around 75 percent of urban earnings throughout the 1980's (app. table 4). From 1988 to 1989, real rural earnings per job declined by 0.8 percent while urban earnings declined by 1.1 percent. The smaller decline in rural earnings narrowed the earnings gap slightly in 1989.

Rural earnings per job continued to trail urban earnings in all major industry groups. The widest gaps were in wholesale trade and in finance, insurance, and real estate, where rural earnings per job were 67.6 and 49.6 percent of urban earnings. Rural earnings came closest to urban in farming, where rural earnings were 92.1 percent of urban earnings.

Farming and services were the only rural sectors posting gains in real earnings per job in 1989. The farming increase was partly due to the recovery of farm earnings in the Plains and Great Lakes States after the 1988 drought. Urban areas also experienced growth in farming and service earnings per job, but by smaller percentages than rural growth in those industries.

Earnings per job also varied across rural and urban regions of the country. [The regions discussed here are those used by the Bureau of Economic Analysis (BEA), not the Bureau of the Census regions most often used in this report.] In no region of the country were rural earnings per job as high as urban. Where rural earnings were higher than average, in New England, the Mideast, and the Far West, urban earnings were also high. The ratio of rural to urban earnings ranged from a high of 82.9 percent in the Rocky Mountains to a low of 71.1 percent in the Mideast region.

Differences in the distribution of jobs by industry and in the types of jobs within each industry both may contribute to the gap between rural and urban earnings per job at the national and regional levels. To investigate whether the distribution of rural jobs by industry causes lower earnings, we estimated rural earnings per job using the urban distribution of jobs by industry and current rural earnings per job by industry. In this first scenario, estimated rural earnings per job would be lower than they currently are at the national level and in all regions except New England. This scenario shows that, at this broad industrial level, the current distribution of rural jobs is not the cause of lower rural earnings. If rural jobs were industrially distributed the same as urban jobs, rural earnings would be even lower than they currently are, increasing the rural-urban gap. Earnings in rural New England would increase, but at $15 per year, the change in industrial distribution would raise the ratio of rural to urban earnings in that region only from 74.8 to 74.9 percent.

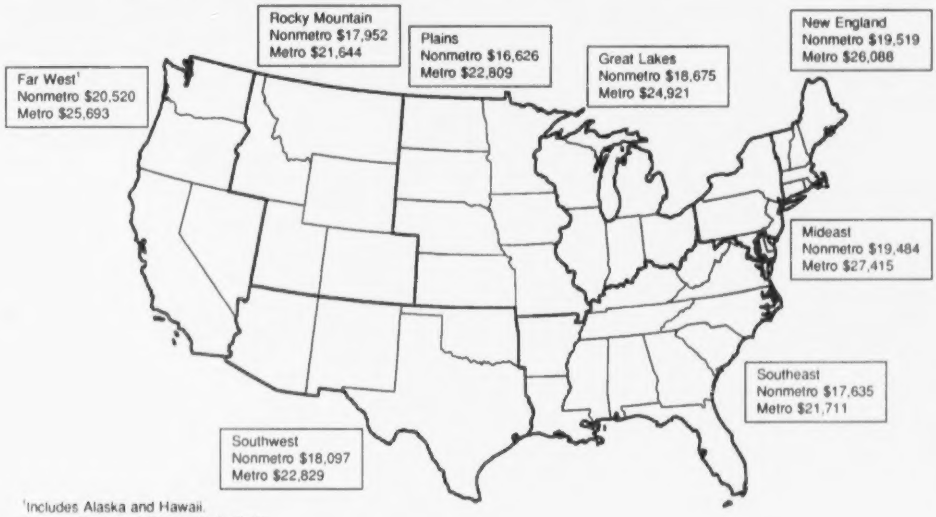
In the second hypothetical scenario, we maintained the current distribution of rural jobs by industry, but raised earnings per job in each industry to the urban level. This change in earnings per job by industry would substantially increase rural earnings nationally and in each region. The ratio of rural to urban earnings at the national level would rise to 99.5 percent and the rural-urban ratios in regions would range from a low of 93.4 percent in the Plains to a high of 102.7 percent in the Southeast. This scenario points out that lower rural earnings in each industry account for the overall rural-urban earnings gap.

Several factors may contribute to lower earnings per job in rural industries, at both national and regional levels. Within the broad industry groups reported here, urban areas may have higher concentrations of high-technology industries while rural areas have more routine industries. Data from the Current Population Survey on full-time workers in routine (for example, food processing and apparel, furniture, and primary metals fabrication) and complex (for example, printing; publishing; drug, medicine, and chemical processing; and computer, communication equipment, and aircraft construction) manufacturing industries illustrate this point. In rural areas, 70 percent of full-time manufacturing workers worked in routine industries, while only 30 percent worked in complex industries. In contrast, 45 percent of urban manufacturing workers were in routine industries, while 55 percent were in complex industries. Average weekly earnings in routine manufacturing were about 80 percent of earnings in complex manufacturing, suggesting that the rural concentration in routine industries is partially responsible for lower rural earnings per manufacturing job.

Rural earnings may also be lower than urban because fewer rural jobs are in higher paid managerial and technical occupations. Data on full-time manufacturing workers also illustrate this point. Only 9 percent of rural workers in routine manufacturing industries held managerial, professional, technical, or sales jobs in 1989. Nearly 19 percent of urban workers in routine industries were in those higher paid occupations. And, in the complex manufacturing industries, 20 percent of rural workers, compared with 40 percent of urban workers, were in those occupations. Average weekly earnings of other manufacturing workers were only 55 percent of the average earnings of workers in managerial, professional, technical, and sales occupations, suggesting that the lower proportion of rural jobs in those occupations also contributes to lower rural earnings per manufacturing job. Whether differences between the industrial and occupational distributions of rural and urban workers in the other industrial sectors are this large remains to be investigated. *[Linda M. Ghelfi, 202/219-0541]*

## Regional earnings per job, 1989

**Nonmetro earnings per job lowest in the Plains, highest in the Far West**


Far West[1]
Nonmetro $20,520
Metro $25,693
Rocky Mountain
Nonmetro $17,952
Metro $21,644
Plains
Nonmetro $16,626
Metro $22,809
Great Lakes
Nonmetro $18,675
Metro $24,921
New England
Nonmetro $19,519
Metro $26,088
Mideast
Nonmetro $19,484
Metro $27,415
Southeast
Nonmetro $17,635
Metro $21,711
Southwest
Nonmetro $18,097
Metro $22,829

[1] Includes Alaska and Hawaii.
Source: Bureau of Economic Analysis.

## Current and hypothetical nonmetro earnings per job by region, 1989

**Only nonmetro New England would have higher earnings if their jobs were industrially distributed like metro jobs, but all nonmetro regions would have higher average earnings if earnings in each industry were as high as metro earnings**

| | | | What nonmetro earnings per job would be if: | | | |
|---|---|---|---|---|---|---|
| | | | Scenario 1 | | Scenario 2 | |
| | Current earnings per job | | Nonmetro jobs were industrially distributed like metro jobs in the region[1] | | Nonmetro earnings were the same as metro in each industry in the region[2] | |
| Region | Earnings | Ratio to metro | Earnings | Ratio to metro | Earnings | Ratio to metro |
| | *Dollars* | *Percent* | *Dollars* | *Percent* | *Dollars* | *Percent* |
| All nonmetro | 18,142 | 73.8 | 17,711 | 72.0 | 24,459 | 99.5 |
| New England | 19,519 | 74.8 | 19,535 | 74.9 | 25,634 | 98.3 |
| Mideast | 19,484 | 71.1 | 18,978 | 69.2 | 26,997 | 98.5 |
| Great Lakes | 18,675 | 74.9 | 18,326 | 73.5 | 24,656 | 98.9 |
| Plains | 16,626 | 72.9 | 16,561 | 72.6 | 21,300 | 93.4 |
| Southeast | 17,635 | 81.2 | 17,108 | 78.8 | 22,293 | 102.7 |
| Southwest | 18,097 | 79.3 | 17,752 | 77.8 | 22,220 | 97.3 |
| Rocky Mountain | 17,952 | 82.9 | 17,589 | 81.3 | 21,048 | 97.2 |
| Far West[3] | 20,520 | 79.9 | 20,057 | 78.1 | 25,258 | 98.3 |

[1] Keeping nonmetro earnings in each industry in each region constant.
[2] Keeping the nonmetro distribution of jobs by industry in each region constant.
[3] Includes Alaska and Hawaii.
Source: Bureau of Economic Analysis.

# Household Income Remains Lower in Rural Areas

*Median household income in 1990 remained lower in rural than in urban areas. Rural income levels were low for minorities, particularly Blacks. Household income was more equally distributed in rural areas and suburbs than in central cities.*

Rural areas historically have had lower income than urban areas. Since 1985, median household income has been 25 to 28 percent lower in rural areas, according to Current Population Survey (CPS) data. This is consistent with per capita income data from the Bureau of Economic Analysis, which show an income gap of similar magnitude during the late 1980's.

Each racial and ethnic group also had substantially lower income in rural areas in 1990, the most recent year for which CPS data are available. Rural Blacks had particularly low income when compared with other groups, and the rural-urban income gap was largest for Blacks. Rural Blacks received only about 65 percent of the income of their urban counterparts.

### Income Distributed More Equally in Rural Areas and Suburbs

Real median household income has not changed much in rural areas since 1987, staying between $23,000 and $24,000 in 1990 dollars. Stagnation is not the only potential problem with income, however. The distribution of income among households is also important. An increasing concentration of income in the hands of upper income households may raise concerns about fairness.

The Census Bureau reported that U.S. household income has become somewhat more unequally distributed over the past 20 years. In other words, upper income households now receive a larger share of total income in the United States. Why the income distribution has become less equal is not clear.

The statistical measure that the Census Bureau uses to follow annual changes in income distribution was not calculated separately for rural and urban areas until 1987. Although changes in the distribution of rural income over the last 20 years cannot be examined, 1990 household income was distributed about as equally in rural areas as in urban areas as a whole. But, income distribution was less equal in central cities than in either rural areas or the suburbs.

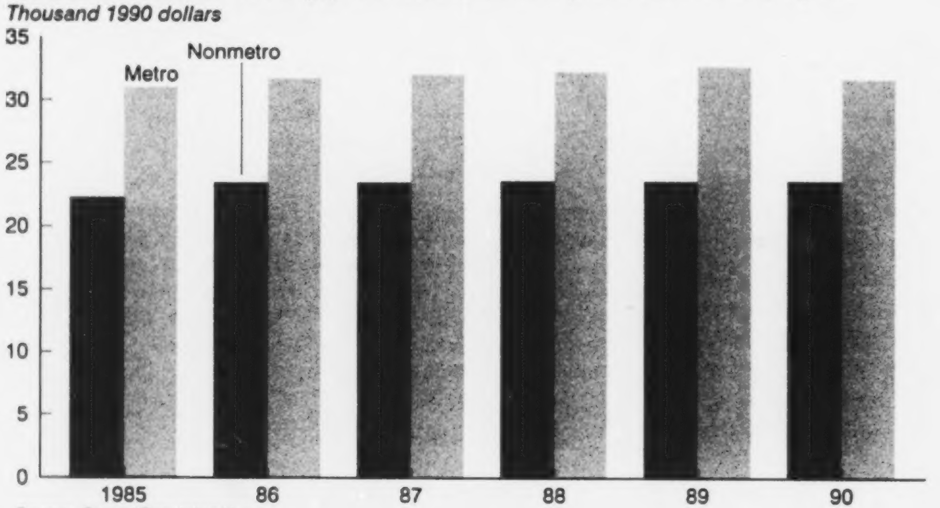
### Rural Income Stable Between 1989 and 1990

Rural median household income was $23,709 in 1990, about the same as in 1989. No meaningful income changes occurred for White, Black, or Hispanic households in rural areas. In contrast, median income for urban households declined by $983. Falling income in urban areas reflected the beginning of the recession in 1990. Manufacturing experienced a smaller share of the employment decline during this recession than in the 1981-82 recession. As a result, this recession may have been slower to start in nonmetro areas, which depend more heavily on manufacturing.

The Census Bureau will release its 1991 income estimates this fall. Rural income will probably decline in the 1991 statistics, because the recession deepened and the rural unemployment rate increased sharply from 5.9 percent in 1990 to 7.0 percent in 1991. *[Robert Hoppe, 202/219-0807]*

## Median household income, 1985-90

**The metro-nonmetro income gap has been consistently wide over the last 6 years**



Source: Current Population Survey.

## Median household income by race and ethnicity, 1989-90

**Gap between nonmetro and metro incomes widest for Black households**

| Race/ethnicity | 1990 household income | | Nonmetro-metro gap[1] | Change, 1989-90 | |
|---|---|---|---|---|---|
| | Nonmetro | Metro | | Nonmetro | Metro |
| | Dollars | | Percent | | |
| Total | 23,709 | 31,823* | 74.5 | 0.3 | -3.0** |
| White | 24,887 | 33,460* | 74.4 | 0. | -3.1** |
| Black | 13,119 | 20,121* | 65.2 | 2.6 | -2.4 |
| Hispanic[2] | 18,393 | 22,737* | 80.9 | .4 | -3.5** |

*Metro-nonmetro difference is statistically significant.

**Difference between 1989 and 1990 income is statistically significant.

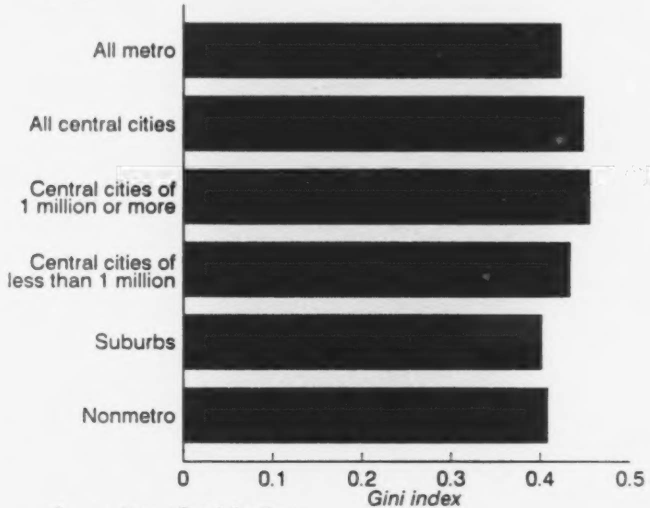
[1] Nonmetro household income as a percentage of metro household income.

[2] Hispanics may be of any race.

Source: Current Population Survey.

## Gini index of income inequality for households by residence, 1990

**Income was distributed more equally in nonmetro areas and suburbs than in central cities**



The gini index is a measure of income concentration that varies from 0 (perfect equality) to 1 (perfect inequality). If the gini index is 0, each household has an equal share of income. If the gini index is 1, one household has all the income. So, the closer the gini index is to 0, the more equally income is distributed.

Source: Current Population Survey.

# Rural Poverty Still High

*Poverty rates remained higher in rural areas in 1990 than in urban areas for all population groups. The share of the rural poor in families headed by women has grown over time, reflecting increases in the proportion of rural people living in such families. The Family Support Act mandates automatic withholding of child support from an absent parent's pay to help these families.*

**Poverty continued to be more severe in rural areas than in urban areas in 1990, the most recent year for which data are available. Rural areas have consistently had a higher poverty rate than urban areas, at least since 1967, when the annual data series on rural and urban poverty began. The 1990 rural poverty rate was 16.3 percent, or about 3.6 percentage points higher than the urban rate. Each population group also had a higher 1990 poverty rate in rural than urban areas.**

### Poverty Among Rural Families Headed by Women

Rural people living in families headed by women had an extremely high poverty rate, while rural people in married-couple families had a low rate. The high poverty rate for people in families headed by women does not mean that they made up the largest share of the rural poor, however. About 30 percent of the rural poor lived in such families in 1990, while 44 percent lived in married-couple families. Most of the remaining poor were unrelated individuals, defined as those who lived alone or with nonrelatives. Families headed by women, however, contained nearly 50 percent of the poor rural children. In urban areas, families headed by women contained about 60 percent of the poor children.

Poverty in families headed by women is an increasingly serious problem for rural areas. The share of the rural poor living in such families has increased from 22 percent in 1969 to the present 30 percent. This growing share reflects a gradually increasing percentage of the total rural population living in such families plus a consistently high poverty rate for people in that family type. The share of the total rural population living in families headed by women increased from 8.4 percent in 1969 to 11.5 percent in 1990. Between 1969 and 1990, the poverty rate for rural families headed by women rose as high as 46 percent and never fell below 37 percent.

In contrast, the poverty rate for other types of rural families was much lower, ranging between 9 and 13 percent during the same 1969-90 period. The poverty rate for rural unrelated individuals dropped, from 46 percent in 1969 to 28 percent in 1990, reflecting the improved economic position of the elderly.

### The Family Support Act Should Help

The Family Support Act of 1988 is major welfare reform legislation addressing some of the problems of poor families headed by women, particularly those receiving Aid to Families with Dependent Children (AFDC). The child-support provisions of the act, however, should have an effect beyond AFDC families. The act requires all new child-support payments to be automatically withheld from the absent parent's pay—starting with support orders initially issued on or after January 1, 1994—regardless of whether the family receives AFDC. This requirement, ultimately, should reduce the need for AFDC for families headed by women in both rural and urban areas. The size of the decrease in rural AFDC use will not be known until the child-support provisions of the act have been in effect for a few years.

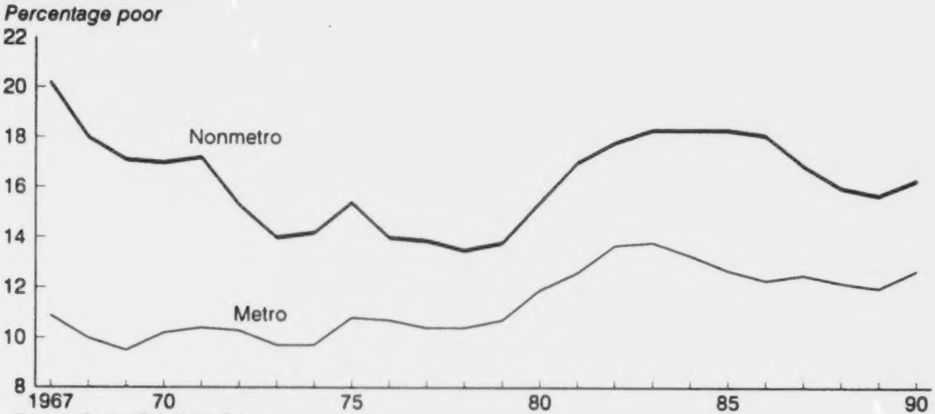
### Rural Poverty Stable

The 1990 rural poverty rate was 0.6 percentage point higher than in 1989. The Current Population Survey sample used to make poverty estimates is small in rural areas, however. Thus, the increase in the rural poverty rate was not large enough to reliably indicate an increase. Changes for various rural population groups, such as Blacks, people in families headed by women, and the elderly, were not meaningful either.

The Census Bureau will release the 1991 poverty rates later this year. Because the rural unemployment rate went up by 1.1 percentage points in 1991, a sizable increase in the rural poverty rate is also expected. *[Robert Hoppe, 202/219-0807]*

## Poverty rates, 1967-90

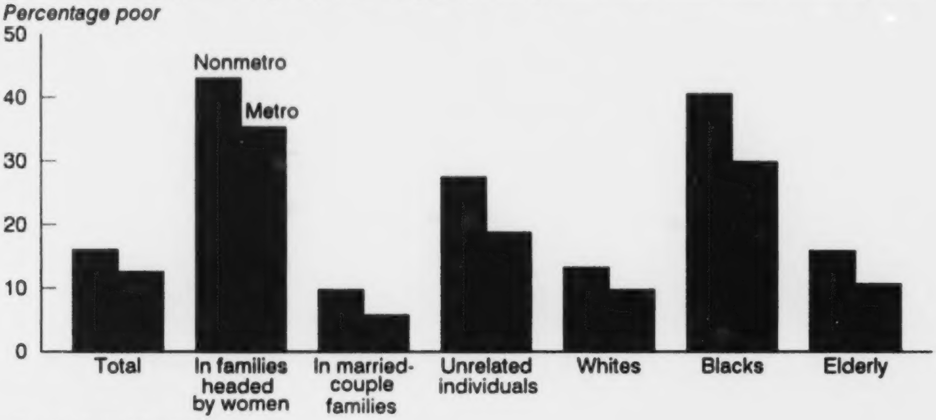
**Nonmetro poverty has been consistently higher than metro poverty in every year that it has been measured**



Source: Current Population Survey.

## Poverty rates by population group, 1990

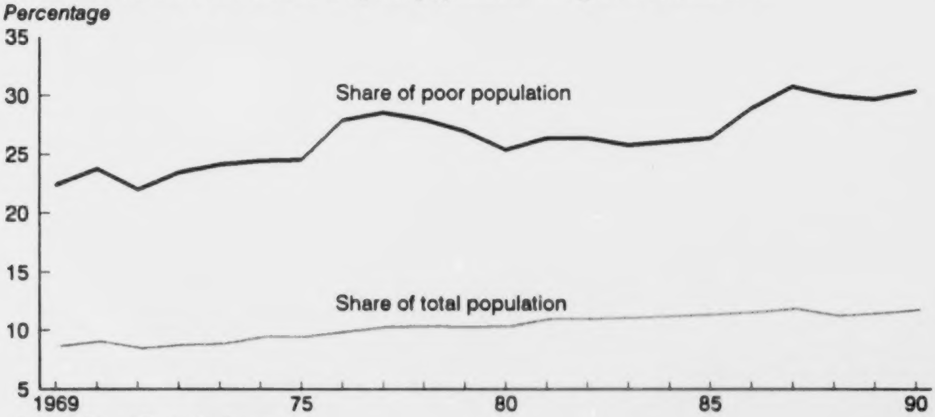
**All nonmetro population groups had higher poverty rates than their metro counterparts**



Source: Current Population Survey.

## Nonmetro population living in families headed by women, 1969-90

**As the share of the nonmetro population living in female-headed families has increased, so has the share of the nonmetro poor population living in these families**



Source: Current Population Survey.

# Nonmetro Net Outmigration Stops

*Migration flows to and from nonmetro areas have caused little, if any, overall population change since 1988-89, compared with the preceding 6 years. However, outmigration of younger and better educated workers remains a persistent problem for nonmetro communities.*

Between 1988 and 1991, annual population losses from net migration were less than 0.5 percent for nonmetro areas. Nonmetro net migration was estimated at -205,000 for 1988-89, -103,000 for 1989-90, and -113,000 for 1990-91. This virtual balance between the number of inmigrants and outmigrants occurred after an extended period of marked imbalance. During 1982-88, net outmigration contributed to widespread nonmetro population decline.

The flows of migrants moving to and from nonmetro areas were themselves quite substantial. During 1990-91, the latest period for which migration data are available, 1.7 million metro residents migrated to a nonmetro residence, while 1.8 million people migrated in the opposite direction. Similarly high migration occurred in 1989 and in 1990, with inmigration and outmigration flows consistently above 1.5 million. These exchanges involved approximately 3 percent of the nonmetro population each year. Over several years, this level of migration can cause substantial changes in the geographic distribution and characteristics of the nonmetro population.

Balanced net migration at the national level does not guarantee balances within all regions. Although we can be sure that some counties' populations declined substantially as a result of net outmigration, while other counties grew, sample data do not allow us to measure migration's effects at such a small geographic scale. Nonmetro areas in the South and Midwest showed consistent net outmigration during all three 1-year periods, although at very low levels. [The regions used here are the Census regions. See p. 22 for a listing of States in each region.]

The Northeast gained population from net migration during 1989-90 and then lost population the following year, while the West went from population loss to gain. These small fluctuations may be the result of sampling error. Both regions have relatively small nonmetro population bases, but net outmigration in the Northeast corresponds with separately published county population estimates showing a recent population decline in some Northeastern States. The fact that the most recent recession has had its greatest effect on the Northeast and that many States in the West are doing quite well is reflected in these migration statistics.

Migration, the most important factor in explaining why some regions of the country grow and others do not, is predominantly led by people in their late teens and twenties. The change in nonmetro migration trends during the late 1980's owes much to the relative economic opportunities available to these new labor force entrants. Substantial nonmetro outmigration during the mid-1980's corresponded closely to the gap in unemployment rates favoring metro areas that developed during the 1981-82 recession and persisted during the extended recovery. In recent years, the unemployment gap has been reduced and preliminary data indicate that nonmetro areas have been no more negatively affected by the current recession than metro areas. As long as economic conditions continue to adversely affect metro white collar occupations, nonmetro net migration should remain low.

The closing of the unemployment gap reduced but did not stop the net migration of young people from nonmetro areas. Young adults still leave nonmetro areas at higher rates than other age groups. Those aged 18-29 made up 21 percent of the total nonmetro population in 1990, but they contributed 43 percent of the nonmetro outmigrants during 1990-91. Only 36 percent of inmigrants were young adults, resulting in net migration loss in this age group, almost 2 percent a year for the 3-year period. Other age groups, including retirees, show little change in population due to net migration.

As in the past, better educated labor force participants tended to seek economic opportunities in metro areas, where they could earn higher wages with their relatively higher skills. Among adults aged 25-34, the nonmetro loss of those with a college degree was more than 4 percent in 1988-89 and 1990-91. Nonmetro areas also consistently lost young adults with 1-3 years of college. But, nonmetro areas consistently gained population through migration of those who did not complete high school, and the percentage change increased to almost 2 percent during 1990-91. These differences in migration among working-age people with different education levels may diminish nonmetro areas' ability to compete with metro areas for higher paying jobs in the coming decade. *[John B. Cromartie, 202/219-0534]*

## Nonmetro migration, 1988-91

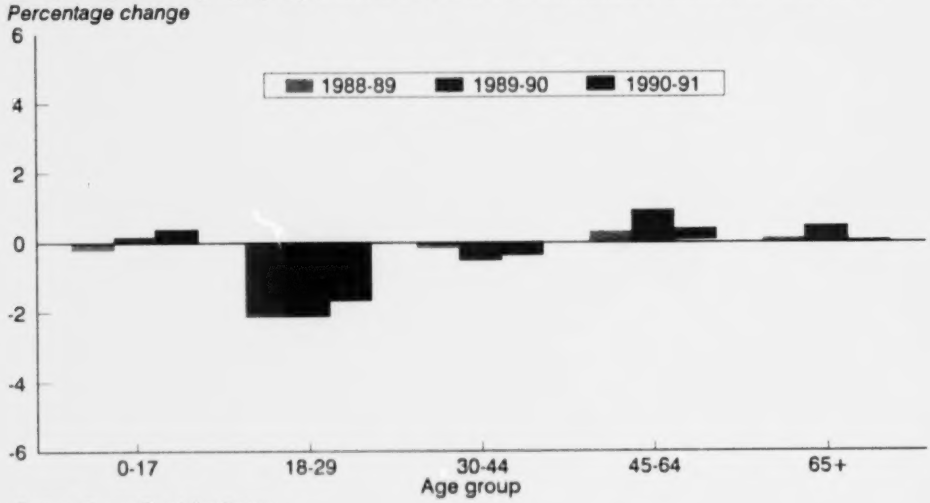
**Small net loss masks large flows in and out of nonmetro areas**

| | 1988-89 | 1989-90 | 1990-91 |
|---|---|---|---|
| | | *Thousands* | |
| Inmigrants | 1,523 | 1,778 | 1,694 |
| Outmigrants | 1,728 | 1,885 | 1,807 |
| Net migration | -205 | -107 | -113 |
| | | *Percent* | |
| Population change due to net migration | -.38 | -.20 | -.20 |

Source: Current Population Survey.

## Population change from net migration by age group, 1988-91

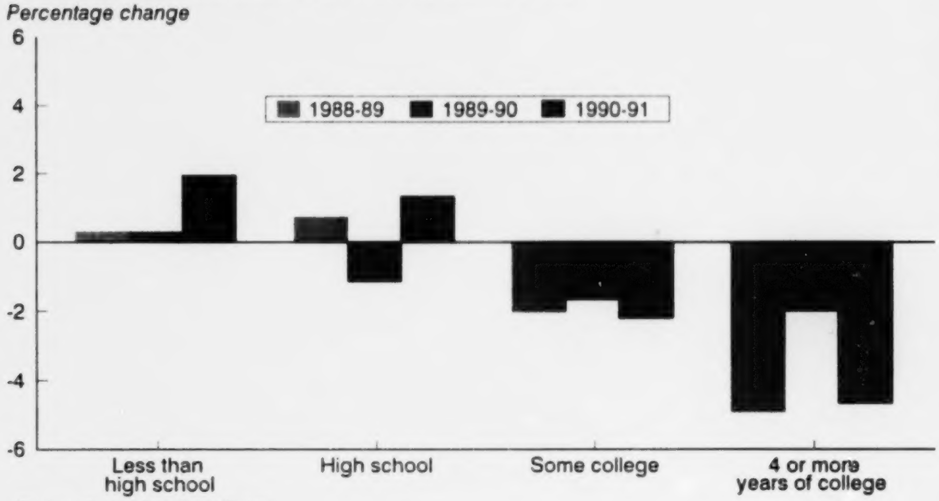
**More young working-age people left than moved into nonmetro areas in recent years**



Source: Current Population Survey.

## Population change from net migration by education level, 1988-91

**The college educated move away from nonmetro areas**



Source: Current Population Survey.

# Appendix: Data Sources and Definitions

## Data Sources

**Macroeconomic conditions:** The economic indicators used to monitor macroeconomic changes in the U.S. economy are derived from Federal sources. Measures of inflation, including the Consumer and Producer Price Indexes, and employment and unemployment data are developed by the U.S. Department of Labor's Bureau of Labor Statistics (BLS). National income and product account information on capital investment, gross domestic product, and net exports is produced by the Bureau of Economic Analysis (BEA), U.S. Department of Commerce. Information relating to monetary policy, including changes in interest rates and foreign exchange rates, and data on industrial production are furnished by the Federal Reserve Board of Governors.

**Employment and earnings data:** Data on nonmetro employment, unemployment, and earnings come from three sources. The monthly Current Population Survey (CPS), conducted by the Bureau of the Census for the U.S. Department of Labor, provides detailed information on the labor force, employment, unemployment, and demographic characteristics of the metro and nonmetro population. CPS derives estimates based on a national sample of about 58,000 households that are representative of the U.S. civilian noninstitutional population 16 years of age and over. Labor force information is based on respondents' activity during 1 week each month.

BLS county-level employment data are taken from unemployment insurance claims and State surveys of establishment payrolls which are then benchmarked to State totals from the CPS. Thus, at the national and State levels, annual average BLS and CPS estimates are the same. The BLS data series provides monthly estimates of labor force, employment, and unemployment for individual counties.

BEA employment data, unlike the household data collected by the CPS and BLS, provide establishment data on the number of jobs rather than the number of workers. The BEA data are taken primarily from administrative reports filed by employers covered under unemployment insurance laws and from information from the Internal Revenue Service and the Social Security Administration. Thus, jobs and earnings for these jobs are counted at the place of work and are based on a virtual universal count rather than a sample. The BEA data provide detailed information on the number of jobs and amount of earnings by industry at the county level. A shortcoming of the BEA data is the 2-year lag between when they are collected and when they are available for analysis.

Each of these data sets has its advantages and disadvantages. CPS furnishes detailed employment, unemployment, and demographic data for metro and nonmetro portions of the Nation. The BEA provides estimates of the number of jobs and earnings by industry for individual county areas. BLS provides less detailed employment data than CPS, but offers very current employment and unemployment information at the county level. While these data sources are likely to provide different estimates of employment conditions at any point in time, they generally indicate similar trends.

**Income and poverty data:** Each March, supplemental questions are added to the CPS to obtain information on money income and poverty status of families and persons in the United States during the previous year. Data are collected for the amount and sources of income, including wage and salary earnings, self-employment income, and transfer payments. Information on family size and income is used to estimate the number of families and individuals in poverty based on official guidelines issued by the Office of Management and Budget. Demographic data are available to examine the distribution of income and the characteristics of the poverty populations in metro and nonmetro areas.

**Migration data:** Supplemental questions are also added to the March CPS to obtain information on whether people moved between March of the current year and March of the previous year. Demographic data are available to examine the characteristics of those who moved into or out of metro and nonmetro areas.

## Definitions

Throughout ***Rural Conditions and Trends***, we use "rural" and "nonmetro" interchangeably. The same holds for "urban" and "metro." However, in tables we use "nonmetro" and "metro," the original and more accurate terms used in the data sources.

**Adjusted unemployment rate:** The number of unemployed people, discouraged workers who have given up looking for work, and half of the workers who work part time but want full-time work as a percentage of the civilian labor force plus discouraged workers.

**Civilian labor force:** Noninstitutional civilians aged 16 or older who are either employed or unemployed. Individuals who are neither employed nor unemployed are out of the labor force.

**Consumer Price Index (CPI):** A measure of the average price level of a basket of consumer goods and services at the retail level for a specific period compared against a benchmark period.

**Family:** Two or more people residing together who are related by birth, marriage, or adoption.

**Foreign exchange rate:** The rate at which one currency is traded for another. The Federal Reserve publishes a measure of the overall foreign exchange rate of the U.S. dollar based on the rates of the 10 major U.S. trading partners.

**Gross domestic product (GDP):** The value of final output produced by people, government, and firms in the United States, whether they are U.S. or foreign citizens, or U.S.- or foreign-owned firms. Output of U.S. citizens or firms located outside the United States is not included. This statistic is reported quarterly but is revised in each of the 2 months following the initial release. Nominal GDP measures final goods and services at current prices. Real GDP measures final goods and services at 1987 prices to adjust for inflation.

**Household:** All the people living in a housing unit. A house, an apartment, or a single room is considered a housing unit, if it is occupied as separate living quarters. To be classified as separate living quarters, the occupants of the housing unit must not live and eat with any other people in the structure. In addition, there must be direct access to the unit from the outside or indirect access through a common hall.

**Income:** The sum of the amounts of money received from wages and salaries; nonfarm self-employment income; farm self-employment income; Social Security or railroad retirement; Supplemental Security Income; public assistance or welfare payments; dividends, interest, or net rental income; veterans payments; unemployment or workers' compensation; private or government employee pensions; alimony or child support; and other periodic payments.

**Inflation rate:** The percentage change in a measure of the average price level. Changes are reported on a monthly basis and are stated as annual rates for longer term comparisons. The two major measures of the average price level are the Consumer and Producer Price Indexes.

**Labor force participation rate:** The civilian labor force as a percentage of the civilian noninstitutional population 16 and older.

**Metro areas:** Metropolitan Statistical Areas (MSA's), as defined by the Office of Management and Budget, include core counties containing a city of 50,000 or more people and a total area population of at least 100,000. Additional contiguous counties are included in the MSA if they are economically and socially integrated with the core county. Metro areas are divided into central cities and areas outside central cities (suburbs). Throughout this publication, "urban" and "metro" have been used interchangeably to refer to people and places within MSA's.

**Net migration:** The number of people who moved into an area minus the number of people who moved out of that area over a given time period.

**Nonmetro areas:** Counties outside metro area boundaries. Throughout this publication, "rural" and "nonmetro" are used interchangeably to refer to people and places outside of MSA's.

**Poverty:** A person is in poverty if his or her family's money income is below the official poverty threshold appropriate for that size and type of family. Different thresholds exist for elderly and nonelderly unrelated individuals, for two-person families with and without elderly heads, and for different family sizes by number of children. For example, the poverty threshold for a family of four with two children was $13,254 in 1990. The thresholds are adjusted annually by the Consumer Price Index to reflect inflation.

**Producer Price Index:** A measure of the average price received by producers of finished goods at the wholesale level during a specific period compared against a benchmark period.

**Region:** Both regions defined by the Bureau of the Census and regions defined by the Bureau of Economic Analysis are used in this issue. The States in each region are as follows:

***Bureau of the Census regions***

Northeast—Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont.

Midwest—Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.

South—Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia.

West—Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.

***Bureau of Economic Analysis (BEA) regions***

New England—Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont.

Mideast—Delaware, District of Columbia, Maryland, New Jersey, New York, and Pennsylvania.

Great Lakes—Illinois, Indiana, Michigan, Ohio, and Wisconsin.

Plains—Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, and South Dakota.

Southeast—Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, and West Virginia.

Southwest—Arizona, New Mexico, Oklahoma, and Texas.

Rocky Mountain—Colorado, Idaho, Montana, Utah, and Wyoming.

Far West—California, Nevada, Oregon, and Washington. BEA does not classify Alaska and Hawaii in any region, but we have included them in the Far West.

**Unemployment rate:** The number of unemployed people 16 years and older as a percentage of the civilian labor force 16 years and older.

**Unrelated Individual:** A person who does not live with relatives. An unrelated individual may live alone, with nonrelatives, or in group quarters with no relatives. Lodgers and resident employees with no relatives in the household are also unrelated individuals. Inmates of institutions are classified separately; they are not counted as unrelated individuals.

## Appendix table 1—Nonmetro employment: Quarterly and annual averages

| Year/ quarter | Population 16+ | Labor force | Labor force participation | Employed | Employment-population ratio | Unemployed | Unemployment rate | Adjusted unemployment rate[1] |
|---|---|---|---|---|---|---|---|---|
| | —Thousands— | | *Percent* | *Thousands* | *Percent* | *Thousands* | —Percent— | |
| 1991: | | | | | | | | |
| 4th | 42,328 | 26,442 | 62.5 | 24,745 | 58.5 | 1,697 | 6.4 | 10.1 |
| 3rd | 41,904 | 26,364 | 62.9 | 24,683 | 58.9 | 1,681 | 6.4 | 10.3 |
| 2nd | 42,017 | 26,529 | 63.1 | 24,673 | 58.7 | 1,856 | 7.0 | 10.7 |
| 1st | 42,073 | 26,049 | 61.9 | 23,898 | 56.8 | 2,151 | 8.3 | 12.3 |
| 1990: | | | | | | | | |
| 4th | 42,106 | 26,361 | 62.6 | 24,776 | 58.8 | 1,585 | 6.0 | 9.7 |
| 3rd | 42,079 | 26,607 | 63.2 | 25,158 | 59.8 | 1,450 | 5.4 | 8.8 |
| 2nd | 41,774 | 26,417 | 63.2 | 24,934 | 59.7 | 1,483 | 5.6 | 8.9 |
| 1st | 41,660 | 25,893 | 62.2 | 24,196 | 58.1 | 1,697 | 6.6 | 10.0 |
| 1989: | | | | | | | | |
| 4th | 41,646 | 26,168 | 62.8 | 24,778 | 59.9 | 1,390 | 5.3 | 8.6 |
| 3rd | 41,755 | 26,783 | 64.1 | 25,323 | 60.6 | 1,459 | 5.4 | 8.7 |
| 2nd | 41,588 | 26,389 | 63.5 | 24,919 | 59.9 | 1,470 | 5.6 | 8.9 |
| 1st | 40,912 | 25,441 | 62.2 | 23,807 | 58.2 | 1,634 | 6.4 | 10.2 |
| 1988: | | | | | | | | |
| 4th | 40,629 | 25,510 | 62.8 | 24,024 | 59.2 | 1,469 | 5.8 | 9.4 |
| 3rd | 40,812 | 25,793 | 63.2 | 24,294 | 59.5 | 1,499 | 5.8 | 9.6 |
| 2nd | 40,877 | 25,513 | 62.4 | 23,978 | 58.7 | 1,535 | 6.0 | 9.8 |
| 1st | 40,522 | 24,819 | 61.2 | 22,996 | 56.7 | 1,823 | 7.3 | 11.6 |
| 1987: | | | | | | | | |
| 4th | 40,280 | 25,087 | 62.3 | 23,449 | 58.2 | 1,638 | 6.5 | 10.6 |
| 3rd | 40,214 | 25,277 | 62.9 | 23,634 | 58.8 | 1,643 | 6.5 | 10.5 |
| 2nd | 40,497 | 25,186 | 62.2 | 23,437 | 57.9 | 1,749 | 6.9 | 10.9 |
| 1st | 40,745 | 24,856 | 61.0 | 22,688 | 55.7 | 2,167 | 8.7 | 13.1 |
| 1991 | 42,080 | 26,346 | 62.6 | 24,500 | 58.2 | 1,846 | 7.0 | 10.8 |
| 1990 | 41,905 | 26,319 | 62.8 | 24,766 | 59.1 | 1,554 | 5.9 | 9.4 |
| 1989 | 41,482 | 26,209 | 63.2 | 24,718 | 59.6 | 1,491 | 5.7 | 9.1 |
| 1988 | 40,710 | 25,409 | 62.4 | 23,827 | 58.5 | 1,582 | 6.2 | 10.1 |
| 1987 | 40,434 | 25,101 | 62.1 | 23,302 | 57.6 | 1,799 | 7.2 | 11.3 |
| 1986 | 40,646 | 25,171 | 61.9 | 23,091 | 56.8 | 2,080 | 8.3 | 12.8 |
| 1985 | 40,493 | 24,781 | 61.2 | 22,700 | 56.1 | 2,081 | 8.4 | 13.0 |
| 1984 | 55,946 | 34,725 | 62.1 | 31,930 | 57.1 | 2,796 | 8.1 | 12.2 |
| 1983 | 55,294 | 34,156 | 61.8 | 30,696 | 55.5 | 3,460 | 10.1 | 14.9 |
| 1982 | 54,727 | 33,740 | 61.7 | 30,335 | 55.4 | 3,405 | 10.1 | 14.9 |
| 1981 | 53,449 | 33,092 | 61.9 | 30,488 | 57.0 | 2,603 | 7.9 | 11.5 |
| 1980 | 52,706 | 32,512 | 61.7 | 30,150 | 57.2 | 2,362 | 7.3 | 10.7 |
| 1979 | 51,563 | 31,716 | 61.5 | 29,916 | 58.0 | 1,800 | 5.7 | 8.5 |

Note: Beginning in 1985, estimation procedures for the Current Population Survey are based on the 1980 Census. That change accounts for the large drop in the nonmetro population and labor force between 1984 and 1985.

[1] Unemployment rate adjusted to include discouraged workers and half of the workers employed part time for economic reasons.

Source: Current Population Survey.

## Appendix table 2—Metro employment: Quarterly and annual averages

| Year/ quarter | Population 16+ | Labor force | Labor force participation | Employed | Employment-population ratio | Unemployed | Unemployment rate | Adjusted unemployment rate[1] |
|---|---|---|---|---|---|---|---|---|
| | *Thousands* | | *Percent* | *Thousands* | *Percent* | *Thousands* | *Percent* | |
| 1991: | | | | | | | | |
| 4th | 148,121 | 98,915 | 66.8 | 92,327 | 62.3 | 6,589 | 6.7 | 9.8 |
| 3rd | 148,074 | 99,912 | 67.5 | 93,299 | 63.0 | 6,613 | 6.6 | 9.7 |
| 2nd | 147,506 | 99,017 | 67.1 | 92,522 | 62.7 | 6,496 | 6.6 | 9.4 |
| 1st | 147,039 | 97,984 | 66.6 | 91,362 | 62.1 | 6,622 | 6.8 | 9.7 |
| 1990: | | | | | | | | |
| 4th | 146,589 | 98,463 | 67.2 | 92,956 | 63.4 | 5,507 | 5.6 | 8.2 |
| 3rd | 146,187 | 99,290 | 67.9 | 93,872 | 64.2 | 5,417 | 5.5 | 8.0 |
| 2nd | 146,051 | 98,504 | 67.4 | 93,480 | 64.0 | 5,024 | 5.1 | 7.4 |
| 1st | 145,751 | 97,615 | 67.0 | 92,238 | 63.3 | 5,332 | 5.5 | 7.8 |
| 1989: | | | | | | | | |
| 4th | 145,371 | 98,191 | 67.5 | 93,242 | 64.1 | 4,949 | 5.0 | 7.3 |
| 3rd | 144,848 | 98,373 | 67.9 | 93,366 | 64.5 | 5,007 | 5.1 | 7.5 |
| 2nd | 144,589 | 97,391 | 67.4 | 92,449 | 63.9 | 4,942 | 5.1 | 7.5 |
| 1st | 144,861 | 96,633 | 66.7 | 91,411 | 63.1 | 5,223 | 5.4 | 7.9 |
| 1988: | | | | | | | | |
| 4th | 144,625 | 96,886 | 67.0 | 92,139 | 63.7 | 4,748 | 4.9 | 7.4 |
| 3rd | 144,028 | 97,249 | 67.5 | 92,132 | 64.0 | 5,117 | 5.3 | 8.0 |
| 2nd | 143,512 | 95,843 | 66.8 | 90,801 | 63.3 | 5,042 | 5.3 | 7.8 |
| 1st | 143,445 | 95,061 | 66.3 | 89,492 | 62.4 | 5,569 | 5.9 | 8.6 |
| 1987: | | | | | | | | |
| 4th | 143,187 | 95,433 | 66.6 | 90,347 | 63.1 | 5,086 | 5.3 | 7.9 |
| 3rd | 142,802 | 95,924 | 67.2 | 90,434 | 63.3 | 5,490 | 5.7 | 8.6 |
| 2nd | 142,030 | 94,546 | 66.6 | 88,869 | 62.6 | 5,677 | 6.0 | 8.7 |
| 1st | 141,257 | 93,152 | 65.9 | 86,904 | 61.5 | 6,249 | 6.7 | 9.6 |
| 1991 | 147,685 | 98,957 | 67.0 | 92,377 | 62.6 | 6,580 | 6.6 | 9.6 |
| 1990 | 146,144 | 98,468 | 67.4 | 93,148 | 63.7 | 5,320 | 5.4 | 7.9 |
| 1989 | 144,911 | 97,660 | 67.4 | 92,624 | 63.9 | 5,036 | 5.2 | 7.5 |
| 1988 | 143,903 | 96,260 | 66.9 | 91,141 | 63.3 | 5,119 | 5.3 | 7.9 |
| 1987 | 142,319 | 94,764 | 66.6 | 89,138 | 62.6 | 5,625 | 5.9 | 8.7 |
| 1986 | 139,941 | 92,665 | 66.2 | 86,508 | 61.8 | 6,157 | 6.6 | 9.5 |
| 1985 | 137,713 | 90,684 | 65.9 | 84,453 | 61.3 | 6,231 | 6.9 | 9.9 |
| 1984 | 120,437 | 78,819 | 65.4 | 73,076 | 60.7 | 5,743 | 7.3 | 10.4 |
| 1983 | 118,922 | 77,394 | 65.1 | 70,137 | 59.0 | 7,257 | 9.4 | 13.1 |
| 1982 | 117,544 | 76,465 | 65.1 | 69,192 | 58.9 | 7,273 | 9.5 | 13.1 |
| 1981 | 112,987 | 73,301 | 64.9 | 67,825 | 60.0 | 5,476 | 7.5 | 10.3 |
| 1980 | 111,438 | 72,207 | 64.8 | 67,120 | 60.2 | 5,087 | 7.0 | 9.5 |
| 1979 | 109,969 | 71,192 | 64.7 | 67,029 | 61.0 | 4,163 | 5.8 | 8.0 |

Note: Beginning in 1985, estimation procedures for the Current Population Survey are based on the 1980 Census.

[1] Unemployment rate adjusted to include discouraged workers and half of the workers employed part time for economic reasons.

Source: Current Population Survey.

## Appendix table 3—Jobs by industry and BEA region

| | United States | | New England | | Mideast | | Great Lakes | | Plains | |
|---|---|---|---|---|---|---|---|---|---|---|
| Item | Nonmetro | Metro | Nonmetro | Metro | Nonmetro | Metro | Nonmetro | Metro | Nonmetro | Metro |
| | | | | | *Thousands* | | | | | |
| 1989: | | | | | | | | | | |
| Total | 26,169 | 109,905 | 1,254 | 6,866 | 1,820 | 22,438 | 4,368 | 18,173 | 3,986 | 6,422 |
| Farming | 2,072 | 1,096 | 25 | 23 | 74 | 119 | 332 | 179 | 544 | 89 |
| Agricultural services[1] | 378 | 996 | 23 | 56 | 18 | 144 | 39 | 106 | 43 | 38 |
| Mining | 414 | 502 | 1 | 6 | 22 | 33 | 48 | 36 | 34 | 20 |
| Construction | 1,388 | 5,837 | 104 | 367 | 101 | 1,158 | 198 | 835 | 174 | 301 |
| Manufacturing | 4,587 | 15,357 | 196 | 1,145 | 329 | 2,930 | 924 | 3,410 | 509 | 929 |
| Transportation[2] | 1,073 | 5,308 | 44 | 263 | 79 | 1,108 | 185 | 834 | 168 | 362 |
| Wholesale trade | 855 | 5,843 | 38 | 365 | 54 | 1,240 | 143 | 980 | 172 | 364 |
| Retail trade | 4,283 | 18,280 | 225 | 1,131 | 316 | 3,438 | 740 | 3,186 | 631 | 1,105 |
| Finance[3] | 1,273 | 9,032 | 77 | 597 | 85 | 1,946 | 216 | 1,334 | 200 | 530 |
| Services[4] | 5,475 | 31,289 | 341 | 2,096 | 440 | 6,929 | 914 | 4,951 | 848 | 1,816 |
| Government | 4,371 | 16,366 | 178 | 817 | 301 | 3,393 | 630 | 2,322 | 663 | 866 |
| 1988: | | | | | | | | | | |
| Total | 25,583 | 107,323 | 1,233 | 6,859 | 1,782 | 22,148 | 4,266 | 17,716 | 3,910 | 6,258 |
| Farming | 2,139 | 1,133 | 27 | 25 | 80 | 130 | 345 | 186 | 558 | 92 |
| Agricultural services[1] | 358 | 956 | 23 | 55 | 16 | 141 | 36 | 100 | 41 | 37 |
| Mining | 422 | 528 | 1 | 6 | 21 | 35 | 52 | 35 | 35 | 21 |
| Construction | 1,354 | 5,753 | 106 | 390 | 99 | 1,152 | 191 | 804 | 168 | 300 |
| Manufacturing | 4,511 | 15,392 | 199 | 1,192 | 326 | 2,991 | 899 | 3,397 | 495 | 922 |
| Transportation[2] | 1,050 | 5,202 | 43 | 269 | 79 | 1,101 | 183 | 816 | 166 | 352 |
| Wholesale trade | 817 | 5,632 | 37 | 356 | 52 | 1,225 | 137 | 935 | 166 | 355 |
| Retail trade | 4,157 | 17,864 | 220 | 1,124 | 307 | 3,408 | 718 | 3,100 | 616 | 1,079 |
| Finance[3] | 1,249 | 8,907 | 76 | 598 | 83 | 1,931 | 212 | 1,315 | 197 | 521 |
| Services[4] | 5,246 | 29,885 | 327 | 2,027 | 427 | 6,676 | 875 | 4,740 | 815 | 1,728 |
| Government | 4,279 | 16,070 | 173 | 815 | 292 | 3,361 | 619 | 2,287 | 654 | 853 |
| 1987: | | | | | | | | | | |
| Total | 24,863 | 104,143 | 1,190 | 6,690 | 1,721 | 21,671 | 4,150 | 17,207 | 3,809 | 6,068 |
| Farming | 2,158 | 1,117 | 27 | 25 | 83 | 134 | 357 | 194 | 562 | 93 |
| Agricultural services[1] | 344 | 907 | 22 | 53 | 16 | 136 | 36 | 92 | 39 | 35 |
| Mining | 433 | 534 | 1 | 6 | 23 | 37 | 56 | 37 | 36 | 21 |
| Construction | 1,306 | 5,558 | 102 | 372 | 93 | 1,106 | 180 | 757 | 164 | 300 |
| Manufacturing | 4,363 | 15,191 | 199 | 1,219 | 317 | 3,004 | 862 | 3,349 | 468 | 894 |
| Transportation[2] | 1,038 | 5,090 | 41 | 263 | 78 | 1,081 | 181 | 804 | 166 | 342 |
| Wholesale trade | 795 | 5,508 | 36 | 347 | 51 | 1,209 | 134 | 921 | 160 | 346 |
| Retail trade | 4,012 | 17,352 | 210 | 1,102 | 294 | 3,347 | 693 | 3,003 | 598 | 1,045 |
| Finance[3] | 1,217 | 8,698 | 73 | 582 | 80 | 1,892 | 207 | 1,266 | 193 | 510 |
| Services[4] | 4,998 | 28,407 | 310 | 1,925 | 403 | 6,419 | 836 | 4,527 | 779 | 1,646 |
| Government | 4,197 | 15,783 | 167 | 795 | 284 | 3,307 | 609 | 2,257 | 644 | 835 |

See footnotes at end of table.

—Continued

## Appendix table 3—Jobs by industry and BEA region—Continued

| Item | Southeast | | Southwest | | Rocky Mountain | | Far West[5] | |
|---|---|---|---|---|---|---|---|---|
| | Nonmetro | Metro | Nonmetro | Metro | Nonmetro | Metro | Nonmetro | Metro |
| | | | | *Thousands* | | | | |
| 1989: | | | | | | | | |
| Total | 9,015 | 22,491 | 2,454 | 10,429 | 1,387 | 2,670 | 1,885 | 20,417 |
| Farming | 611 | 264 | 240 | 92 | 116 | 26 | 129 | 303 |
| Agricultural services[1] | 114 | 213 | 40 | 85 | 26 | 20 | 77 | 335 |
| Mining | 133 | 95 | 113 | 228 | 40 | 26 | 24 | 58 |
| Construction | 497 | 1,403 | 139 | 552 | 76 | 126 | 101 | 1,093 |
| Manufacturing | 2,069 | 2,765 | 234 | 1,171 | 115 | 291 | 208 | 2,715 |
| Transportation[2] | 344 | 1,169 | 106 | 535 | 66 | 145 | 80 | 891 |
| Wholesale trade | 280 | 1,189 | 74 | 542 | 43 | 131 | 50 | 1,032 |
| Retail trade | 1,427 | 3,944 | 392 | 1,784 | 239 | 447 | 312 | 3,245 |
| Finance[3] | 385 | 1,759 | 124 | 892 | 80 | 239 | 105 | 1,734 |
| Services[4] | 1,649 | 5,943 | 514 | 2,853 | 328 | 760 | 441 | 5,942 |
| Government | 1,506 | 3,747 | 478 | 1,694 | 258 | 459 | 358 | 3,068 |
| 1988: | | | | | | | | |
| Total | 8,816 | 21,891 | 2,431 | 10,169 | 1,344 | 2,592 | 1,801 | 19,691 |
| Farming | 630 | 276 | 249 | 96 | 121 | 28 | 130 | 301 |
| Agricultural services[1] | 110 | 202 | 39 | 83 | 24 | 19 | 69 | 320 |
| Mining | 136 | 99 | 117 | 243 | 40 | 29 | 21 | 60 |
| Construction | 487 | 1,406 | 140 | 563 | 71 | 126 | 93 | 1,012 |
| Manufacturing | 2,040 | 2,771 | 235 | 1,159 | 112 | 284 | 205 | 2,677 |
| Transportation[2] | 334 | 1,149 | 106 | 514 | 65 | 141 | 75 | 860 |
| Wholesale trade | 268 | 1,138 | 71 | 521 | 41 | 124 | 46 | 978 |
| Retail trade | 1,383 | 3,834 | 386 | 1,742 | 229 | 434 | 298 | 3,144 |
| Finance[3] | 377 | 1,728 | 123 | 891 | 79 | 235 | 101 | 1,689 |
| Services[4] | 1,577 | 5,634 | 497 | 2,707 | 311 | 719 | 417 | 5,655 |
| Government | 1,474 | 3,655 | 470 | 1,651 | 252 | 453 | 346 | 2,995 |
| 1987: | | | | | | | | |
| Total | 8,564 | 21,128 | 2,399 | 9,930 | 1,309 | 2,529 | 1,721 | 18,920 |
| Farming | 624 | 263 | 260 | 101 | 121 | 27 | 123 | 280 |
| Agricultural services[1] | 105 | 193 | 37 | 79 | 23 | 19 | 67 | 301 |
| Mining | 139 | 100 | 121 | 244 | 39 | 30 | 18 | 60 |
| Construction | 470 | 1,362 | 139 | 576 | 70 | 131 | 86 | 954 |
| Manufacturing | 1,989 | 2,715 | 225 | 1,129 | 108 | 272 | 195 | 2,608 |
| Transportation[2] | 328 | 1,110 | 107 | 506 | 64 | 137 | 73 | 846 |
| Wholesale trade | 260 | 1,106 | 69 | 516 | 41 | 123 | 45 | 940 |
| Retail trade | 1,328 | 3,692 | 382 | 1,717 | 222 | 425 | 286 | 3,020 |
| Finance[3] | 367 | 1,683 | 122 | 882 | 77 | 235 | 98 | 1,648 |
| Services[4] | 1,505 | 5,323 | 475 | 2,559 | 297 | 681 | 393 | 5,328 |
| Government | 1,449 | 3,580 | 462 | 1,623 | 247 | 451 | 335 | 2,935 |

Note: 1987 and 1988 data revised. Missing numbers estimated by the Economic Research Service.

[1] Includes forestry and fishing.

[2] Includes communications and public utilities.

[3] Includes insurance and real estate.

[4] Includes health, legal, educational, recreational, business, repair, and personal services.

[5] Includes Alaska and Hawaii.

Source: Bureau of Economic Analysis.

## Appendix table 4—Real earnings per job

| Item | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 |
|---|---|---|---|---|---|---|---|---|---|---|
| | *1989 dollars* | | | | | | | | | |
| United States | 22,517 | 22,291 | 22,121 | 22,260 | 22,607 | 22,779 | 23,244 | 23,324 | 23,590 | 23,348 |
| Nonmetro | 18,228 | 18,270 | 17,692 | 17,322 | 18,018 | 17,968 | 18,371 | 18,283 | 18,295 | 18,142 |
| Metro | 23,633 | 23,326 | 23,255 | 23,518 | 23,756 | 23,955 | 24,414 | 24,528 | 24,853 | 24,588 |
| Metro-nonmetro earnings gap | 5,405 | 5,056 | 5,563 | 6,196 | 5,738 | 5,987 | 6,043 | 6,245 | 6,558 | 6,446 |
| | *Percent* | | | | | | | | | |
| Nonmetro as share of metro | 77.1 | 78.3 | 76.1 | 73.7 | 75.8 | 75.0 | 75.2 | 74.5 | 73.6 | 73.8 |
| Change from previous year: | | | | | | | | | | |
| United States | -3.0 | -1.0 | -.8 | .6 | 1.6 | .8 | 2.0 | .3 | 1.1 | -1.0 |
| Nonmetro | -6.0 | .2 | -3.2 | -2.1 | 4.0 | -.3 | 2.2 | -.5 | .1 | -.8 |
| Metro | -2.4 | -1.3 | -.3 | 1.1 | 1.0 | .8 | 1.9 | .5 | 1.3 | -1.1 |

Note: 1987 and 1988 data revised.
Source: Bureau of Economic Analysis.

# ERS-NASS VIDEO TAPES

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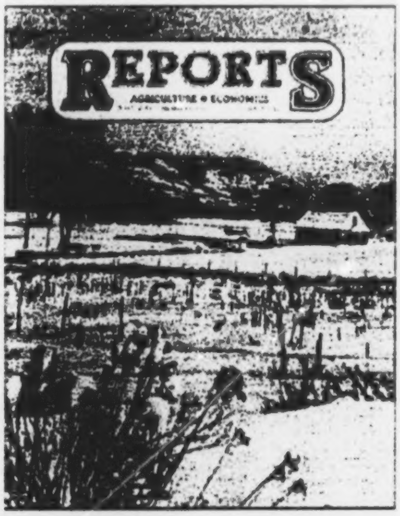

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# Rural Conditions and Trends

Economic Research Service • United States Department of Agriculture • Summer 1992 • Vol.3, No. 2

Employment grows, but unemployment still high

*Special articles*

Rural unemployment sensitive to exchange rates

Latest recession job losses spread over more occupations and industries

# Rural Conditions and Trends

Summer 1992, Vol. 3, No. 2

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# Employment Expands, But High Unemployment Continues

*The labor force grew faster than employment, keeping rural and urban unemployment high. The relatively low exchange value of the dollar and the wider distribution of employment losses across industries and occupations contributed to the recent recession's similar effects on rural and urban areas.*

Urban and rural unemployment continued at high rates during the first quarter of 1992. Although the urban rate was above the rural rate, the adjusted unemployment rate (which includes discouraged workers and half of those employed part time who would prefer full-time work) stayed higher in rural areas. The high rates suggest that there are still not enough job opportunities for either rural or urban job seekers.

Unemployment was high during the recession because the number of people employed declined while the labor force, the sum of the employed and the unemployed, remained relatively constant. Employment is now increasing, but unemployment remains high because the labor force is growing faster than employment. Some analysts see this increase in people looking for work as a sign that people are more optimistic about finding employment and that the recovery may accelerate later this year.

**Explanations of Rural Employment Trends**

We have reported several times that the recent recession's effects were more equally distributed between rural and urban areas compared with the 1980-82 recessions when rural areas bore a disproportionate share of employment losses. Two special articles in this issue help explain how this happened.

The first article in the "National Economy Links to Rural Areas" section shows that the rural unemployment rate is more sensitive to the exchange value of the dollar than is the national unemployment rate. With many rural industries either exporting goods or competing with imported goods, the difference between the rural and national unemployment rates tends to go down after a decline in the value of the dollar. The lower valued dollar makes American products less expensive abroad and raises the price of imported goods relative to competing domestically produced goods. During the 1981-82 recession, the rising value of the dollar put upward pressure on the rural unemployment rate. Over the last 2 years, the value of the dollar has been relatively low and steady, contributing to the recent recession's similar effects on rural and urban areas.

The second special article looks at the occupational and industrial distribution of job losses as an explanation of why the recent recession hit rural areas no harder than urban areas. During the 1981-82 recession, blue-collar occupations and manufacturing industries bore most of the job losses, while white-collar occupations and most nonmanufacturing industries continued to grow. Employment in rural areas is more concentrated in blue-collar and manufacturing jobs, so rural areas bore a disproportionate share of the lost jobs. During the recent recession, employment losses were sustained by a wide array of industries and occupations. Urban areas contain a higher proportion of white-collar and nonmanufacturing jobs, so they sustained a greater share of the losses this time. *[Linda M. Ghelfi, 202-219-0520]*

# Recovery Signals Are Mixed

*Statistics sent mixed signals about the economy's health in the first half of 1992. By some measures, the economy was recovering and on the verge of accelerating. By other measures, it appeared stagnant. Private forecasters predict a moderate recovery in the second half of the year.*

By many measures, the economy showed significant improvement in the first half of 1992. Real gross domestic product (GDP) rose above its previous peak in the second quarter, more than offsetting the declines sustained during the recession. Consumer confidence began to recover, and leading economic indicators turned up. Short-term interest rates and inflation remained relatively low, setting the stage for continued expansion.

Not all statistics pointed to growth during the first half. Inflation-adjusted retail sales growth was negligible and long-term interest rates remained relatively high. Inflation-adjusted personal income rose, but at less than half its rate before the recession began. The unemployment rate rose, and job gains were weak. Low job growth cast doubts on the recovery's continued strength: a strong recovery requires an increase in the number of people working, which raises income and, in turn, builds consumer confidence and boosts spending.

### Labor Force Growth Outstrips Employment

The labor force grew by about 300,000 per month in the first half of 1992, after stagnating for most of the recession. The average first-half labor force growth was well in excess of the average monthly growth in the strong growth years before 1990. Because employment failed to keep up with the growing labor force, the unemployment rate increased in the first half, reaching 7.5 percent in May.

Some analysts pointed to the growing labor force as an early indicator of coming improvement in the overall economy. As the economy gains strength after a recession, people typically become optimistic about job prospects and enter the labor force, which includes persons working or looking for work. Even though the number of jobs may rise, for a time there may not be enough new jobs to keep up with the pace of new entrants into the labor force. Those new entrants who are unable to find work add to the unemployment rate. However, the rising optimism that drew workers into the labor force is itself a catalyst for continued recovery. The trend in consumer confidence, which climbed steadily after February, is consistent with this view.

However, job gains have been very weak. Employers have apparently been reluctant to hire until the economic recovery appears more certain, preferring instead to increase employee hours. In May, the average factory workweek rose to 41.3 hours, the highest level since October 1966. Average weekly overtime for factory workers also climbed for 4 straight months to a high of 4 hours in May 1992, a level not surpassed since April 1973. The longer workweek and increased overtime suggest that manufacturing employers took easily reversible steps to meet rising demand. Continued increases in demand may be necessary to persuade employers to make permanent additions to their employment rolls.

### Conflicting Labor Market Statistics

The Bureau of Labor Statistics uses two major surveys to assess employment conditions. One survey covers job payrolls and the other covers household employment. The difference between the results of the two surveys was especially large in the first half of 1992. During the first 5 months of the year, the payroll survey showed an average monthly increase of 59,000 nonfarm payroll jobs, well below the average monthly gain before the recession began. For the same period, the household survey showed an average monthly increase of 186,000 employed workers, about the same as the average monthly gain before the recession began. Because analysts are watching these statistics carefully to judge the strength of the recovery, the discrepancy between the surveys is especially troublesome.

The surveys differ both in coverage and in content. The household survey, also known as the Current Population Survey, is conducted by Bureau of the Census enumerators who telephone or visit about 60,000 households around the country. This survey collects information about labor force participation and employment status by demographic characteristics such as age, race, and sex. It includes self-employed workers as well as agricultural workers.

The payroll survey gathers information from about 360,000 nonfarm businesses about numbers of employees, the hours they work, and their weekly earnings. The payroll survey tallies jobs, and one person may be counted on more than one payroll. In contrast, the household survey counts people, and people holding more than one job are counted only once.

The wide discrepancy between the payroll and household statistics is difficult to explain. Increases in the number of self-employed and agricultural workers—the two major categories not covered in the payroll survey—do not account for a significant part of the difference. Although a decline in the number of multiple jobholders could account for a large part of the difference, that possibility is hard to test because there is no direct survey of the number of multiple jobholders. Since the monthly employment statistics are estimated from samples, a final possibility is that random sampling error is causing the statistics to diverge.

### Slow Growth Abroad

The likely performance of foreign economies during 1992 suggests a sluggish market for U.S. exports. Real GDP in Japan is expected to rise only 2.3 percent in 1992, compared with about 4.5 percent in 1991. In Germany, real GDP is expected to rise 1.3 percent in 1992, compared with 3.2 percent in 1991. Strong export growth during 1990 and 1991 helped to keep the recession from becoming more severe. Since the beginning of the recession in the third quarter of 1990, U.S. exports have grown at a 6.1-percent annual rate after adjustment for inflation. Slowing foreign growth in 1992 would tend to reduce demand for U.S. exports, however, and contribute to slow U.S. growth overall.

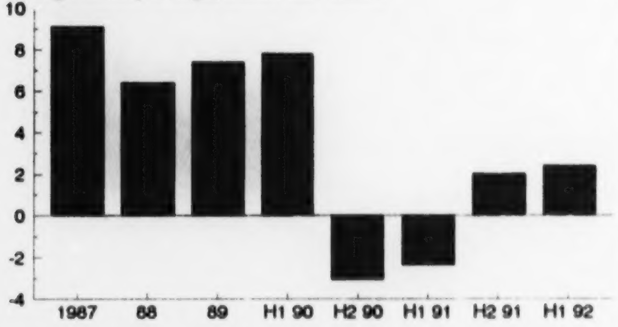
### Outlook

Although the statistics for the first half of 1992 may be ambiguous, private forecasters appear to be relatively optimistic about the second half. According to the National Association of Business Economists (NABE), fewer than 1 in 5 believe the economy will sag into recession during the second half of this year. The economists surveyed by NABE generally expect real GDP to grow about 3 percent in the second half of the year and expect the unemployment rate to decline by about half a percentage point.

The NABE economists project that these improvements will increase short-term interest rates and slightly raise the inflation rate. Consumer price inflation is projected to be about 3.5 percent in the second half of the year, compared with about 3 percent during the first half. Overall, the improvements in growth and employment are expected to be relatively modest, and the economy is projected to be more sluggish than during previous recoveries. *[Analysis reflects data available as of June 26, 1992. Jennifer L. Beattie and R. M. Monaco, 202-219-0782]*

**Real personal income growth, 1987-92**

**Real personal income growth is weak**

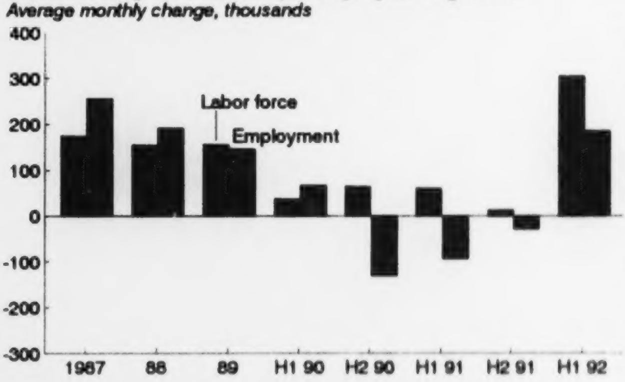


For these three graphs, H1 denotes the first half of the year, and H2 denotes the second half. H1 1992 contains data through May 1992.

Personal income data are from the Bureau of Economic Analysis. Labor force, civilian employment, and payroll job data are from the Bureau of Labor Statistics.

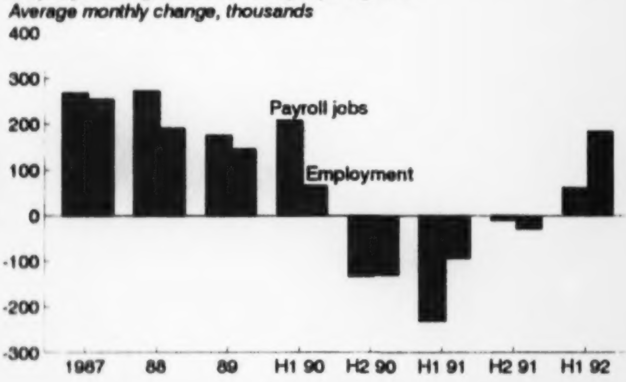
**Labor force and employment growth, 1987-92**

**Labor force growth outstrips employment growth**



**Payroll job and employment growth, 1987-92**

**Employment growth outstrips job gains**



# Rural Employment Edges Up in First Quarter 1992

*Rural areas showed signs of recovery in the first quarter, as employment edged up slightly. Employment growth, however, was slightly outpaced by labor force growth as an increasing number of rural people were looking for jobs.*

Seasonally adjusted rural employment increased 0.4 percent in the first quarter of 1992, according to data from the Current Population Survey (CPS). This second consecutive quarter of employment growth in rural areas, although small, follows a year of decline resulting from the recession. Employment also increased slightly in urban areas, up 0.4 percent in the first quarter of 1992.

Bureau of Labor Statistics (BLS) county-level data show rural employment increasing 0.5 percent in the first quarter of 1992, up slightly from a 0.2-percentage-point increase in the previous quarter. BLS estimates show urban employment increasing 0.1 percent in the first quarter of 1992 compared with the previous quarter. BLS and CPS employment estimates generally show the same patterns of job growth but at slightly different levels. We generally use both series because BLS employment estimates have the advantage of providing geographic detail not available with CPS data, while CPS estimates have the advantage of being from a nationally representative sample.

### Rural Labor Force Growth Picks Up

Although rural employment increased in the first quarter of 1992, the rural economy is not absorbing workers as fast as they are entering the labor force. The rural labor force increased by 0.6 percent in the first quarter of 1992, compared with the 0.4-percent increase in employment for the same period.

During a recession, rural labor force growth often slows or declines as workers stop looking for jobs they believe are not available. As employment picks up, workers who left the labor force often reenter as they perceive an improving labor market. This increase in the labor force often initially leads to higher unemployment rates, even though the employment picture is brighter.

### Employment Change Varied Across Regions in 1991

Employment growth rates varied considerably across rural areas, according to BLS data. Most rural areas in 1991 saw declines in employment, however, as the effects of the recession were widespread. New England and the East South Central States (Kentucky, Tennessee, Alabama, and Mississippi) had the largest declines in rural employment. A concentration of banking and defense-related industries in New England and a large number of manufacturing jobs in the East South Central States resulted in the larger than average fall in rural employment. Rural areas with the largest employment growth were sprinkled across the country—in Nebraska and Missouri in the Midwest, in the South Atlantic States of Delaware, Maryland, and Virginia, in the South Central States of Louisiana and Texas, and in New Mexico and Hawaii in the West.

### Employment Declined Most in Rural Manufacturing Counties

Rural counties dependent on farming, manufacturing, and mining and retirement-destination counties all suffered declines in employment in 1991. The largest drop-off was in rural manufacturing-dependent counties, a decline of 1.1 percent. Manufacturing is generally more sensitive than other industries to changes in the business cycle. Employment in farm-dependent and mining-dependent counties dropped slightly more than the nonmetro average while retirement-destination counties showed little change. *[Timothy S. Parker, 202-219-0541]*

## Employment change, 1986-92

### Nonmetro employment picked up in the 1st quarter of 1992 after declining in 1991

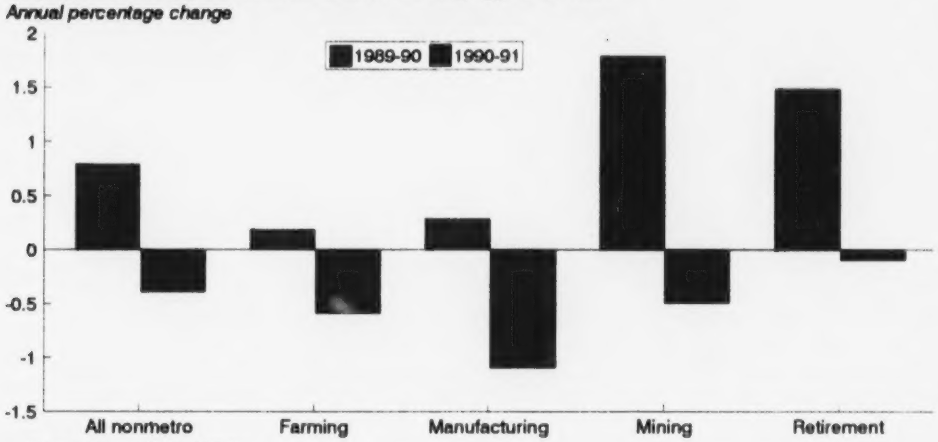
| Area | 1986-87 | 1987-88 | 1988-89 | 1989-90 | 1990-91 | Q4 1991 to Q1 1992[1] |
|---|---|---|---|---|---|---|
| | *Percentage change* | | | | | |
| United States | 2.6 | 2.2 | 2.1 | 0.5 | -0.9 | 0.4 |
| Nonmetro | .9 | 2.3 | 3.7 | .2 | -1.1 | .4 |
| Metro | 3.0 | 2.2 | 1.6 | .6 | -.8 | .4 |

[1] Quarterly data seasonally adjusted by ERS.

Source: Current Population Survey.

## Nonmetro employment change by county type, 1989-91

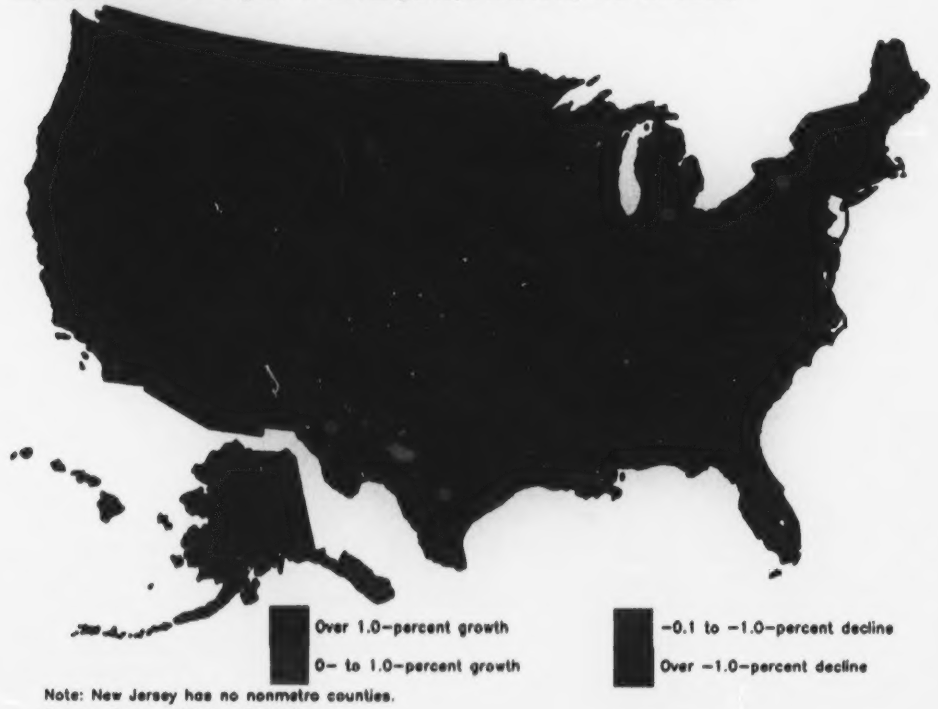
### Employment dropped in all nonmetro county types in 1991



Source: Bureau of Labor Statistics.

## Nonmetro employment change, 1990-91

### Employment losses largest in New England, Southeast, and Northwest


Over 1.0-percent growth
0- to 1.0-percent growth
-0.1 to -1.0-percent decline
Over -1.0-percent decline

Note: New Jersey has no nonmetro counties.

Source: Bureau of Labor Statistics.

# Rural Unemployment Unchanged in Early 1992

*Rural unemployment in the first quarter of 1992 was unchanged from the recessionary level reached a year earlier. During 1991, unemployment rates differed significantly among rural areas. Some of the highest rural unemployment rates were in Appalachia, the lower Mississippi basin, and California. Rural counties in the Plains States generally had low unemployment.*

Rural unemployment, like national unemployment, has remained stubbornly high since its sharp rise during the second half of 1990 and the first quarter of 1991. High unemployment persists even though rural employment has probably grown in recent months. Labor force growth often accelerates in the initial stages of a recovery, causing unemployment to remain high. As the recovery gains strength, unemployment rates should begin to fall.

The rural unemployment rate in the first quarter of 1992 was 7.1 percent, according to seasonally adjusted Current Population Survey (CPS) data. This rate represented 1.9 million jobless individuals. The rural unemployment rate was up slightly from the previous quarter, but unchanged from a year earlier. Preliminary Bureau of Labor Statistics (BLS) data also suggest that new jobs continue to be scarce in many rural areas. The BLS estimate for the first quarter of 1992 was up slightly from the same period in 1991.

Sampling variations in both the CPS and BLS data mean that very small differences in estimated unemployment rates, such as those that have occurred in the last year, may represent measurement error rather than true changes in labor market conditions. These standard unemployment rates may also understate the full extent of employment difficulties because they omit individuals who want a job but have given up looking for work (discouraged workers) and those forced to accept part-time work. The first-quarter adjusted unemployment rate (includes discouraged workers and half of those who work part time but want to work full time) was 11 percent in rural areas, up slightly from the previous quarter.

Urban unemployment rose slightly in the first quarter of 1992, according to seasonally adjusted CPS data. The unemployment rate was 7.3 percent, and the adjusted unemployment rate was 9.6 percent. Although the standard unemployment rate was slightly higher in urban than in rural areas, the opposite was true for the adjusted unemployment rates. Overall, workers in rural and urban areas apparently face similar difficulties in finding full-time jobs. During 1980-90, rural unemployment was consistently higher according to both measures.

### Rural Unemployment Rates Vary from Place to Place

The rural unemployment rate is an average of the unemployment rates in the Nation's 2,402 rural counties, and these local rates vary considerably. The economic and demographic factors that affect unemployment at the local level are diverse, but some general patterns can be discerned in the 1991 county unemployment rates calculated by the BLS.

Unemployment in rural counties where mining is an important employer averaged a little over 9 percent, significantly higher than for other rural counties. Continuing a historic pattern, rural counties with high concentrations of ethnic minorities also had above-average unemployment, including "Black Belt" counties in the lower Mississippi basin; counties in the Rio Grande valley, New Mexico, and other areas of the Southwest with sizable Hispanic populations; and counties with concentrations of Native Americans. Ranking rural counties by the educational level of their populations reveals another overall tendency: the better educated a county's workforce, the lower its unemployment rate tended to be.

### Rural Unemployment Highest in Appalachia, the Lower Mississippi Basin, and California

West Virginia's 11.7-percent rural unemployment rate was the highest in the Nation in 1991 and resulted in part from depressed conditions in coal mining. Rural unemployment rates were also high in Appalachian counties in Kentucky and Tennessee for similar reasons. High rural unemployment in Mississippi, Louisiana, and Alabama reflects historically high joblessness in rural counties with large Black populations rather than especially large job losses in the most recent recession.

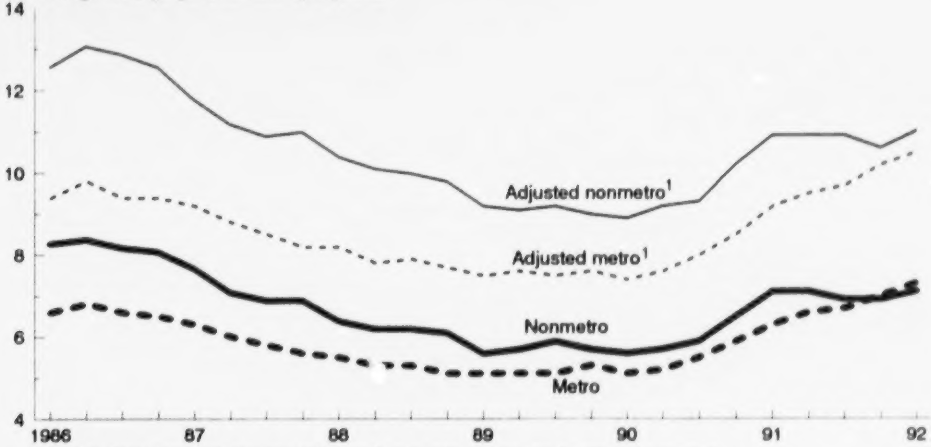
Among the nine census divisions, rural unemployment in 1991 was highest in the Pacific division at 9.1 percent. Its high rate of joblessness was largely due to California and Alaska. At 11.5 percent, rural unemployment in California was second only to West Virginia and probably reflected both the effects of persistent drought and continued strong population growth despite weakened economic conditions. Declining oil severance tax revenues in Alaska forced cuts in State and local government spending that contributed to the State's 10.1-percent rural unemployment rate.

### Rural Unemployment Lowest in the Plains States

Continuing a historic pattern, unemployment rates in the rural Plains States were significantly below the national average in 1991. The estimated rural unemployment rates for Nebraska, Iowa, Kansas, and North and South Dakota were all below 5 percent. The relative immunity of the agricultural sector to the 1990-91 recession helps to explain why rural unemployment barely rose in these States. A longer term factor lowering unemployment in the Plains States is the outmigration of working-aged individuals from many rural counties. *[Paul Swaim, 202-219-0552]*

### Seasonally adjusted unemployment rate, 1986-92

**Nonmetro unemployment unchanged since early 1991**

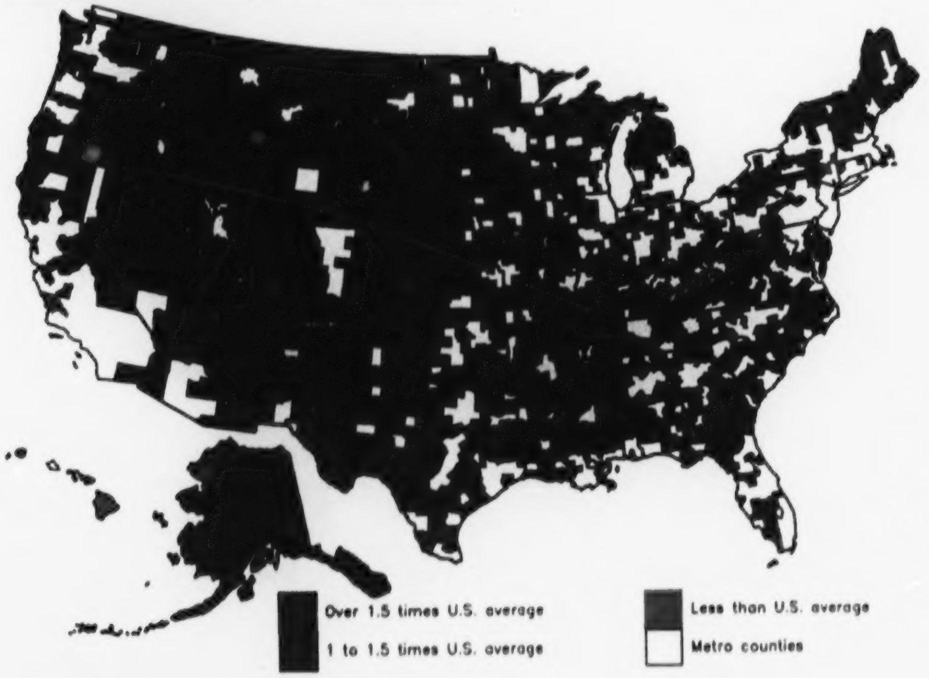


[1] Includes discouraged workers and half of workers employed part time for economic reasons.

Source: Current Population Survey.

### Nonmetro unemployment, 1991

**Unemployment generally lower in the Plains**



Note: U.S. average was 6.7 percent.

Source: Bureau of Labor Statistics.

# Rural Unemployment Sensitive to Exchange Rates

*The rural unemployment rate is largely determined by the same factors that affect the overall U.S. unemployment rate, but rural rates appear to be more sensitive to exchange rate movements. This sensitivity contributed to a high rural rate over the mid-1980's, but may help keep rural unemployment down over the next year.*

The U.S. unemployment rate is one of the most frequently used measures of the health of the economy. A 1-percentage-point rise in the unemployment rate represents an additional 1.25 million workers who are unemployed. In addition to the personal and social costs, an increase in unemployment is costly to the economy through lost production, a loss in taxes paid, and increased spending on unemployment insurance, food stamps, and other income support programs. The goal of low unemployment was formalized in the Employment Act of 1946 and was emphasized again in the Full Employment Act of 1978. Thus, the unemployment rate is an important, albeit incomplete, measure by which the performance of the economy is judged. The unemployment rate also has the advantages of being released promptly and widely understood. The rural unemployment rate similarly provides a measure of the overall health of the rural economy.

### What Influences the Unemployment Rate?

National unemployment is determined by how fast the U.S. economy is growing as well as by productivity increases, labor force and other demographic trends, changes in the value of the U.S. dollar, and real interest rates. Ongoing research suggests that these factors are also important determinants of rural unemployment rates. Changes in the rural unemployment rate generally match changes in the overall rate, even though urban labor market conditions largely determine the overall unemployment rate. However, some factors affect the rural rate differently from the overall rate. For example, the rural unemployment rate appears to be more sensitive to movements in the exchange rate and slightly less sensitive to changes in real interest rates.

### Exchange Rate Effects

Changes in the exchange rate ripple through all parts of the U.S. economy. An increase in the value of the U.S. dollar makes U.S.-produced goods more expensive in foreign countries and also makes imports from those countries less expensive in the United States. Production and employment in export and import-competing industries tend to decline. This effect is particularly strong in rural areas because export and import-competing industries are especially important to rural economies. Goods exports—including agricultural, manufacturing, and mining products—account for about two-thirds of U.S. exports, and those goods-producing industries currently account for almost twice the percentage of jobs in rural areas as in urban areas.

The effect of a change in the exchange rate is not immediate. The exchange rate movement takes about 2 years to fully work its way through the rural economy, although most of the effect occurs within 12 to 18 months. Thus, the rising value of the U.S. dollar from 1982 to 1984, and the declining, but still high, U.S. dollar value through 1986 helped keep the rural unemployment rate high relative to the overall rate until 1988. A sustained 10-percent increase in the exchange rate would be expected to increase the rural unemployment rate 0.2 percentage point relative to the U.S. rate. Ten-percent movements in the exchange rate are not unusual; the U.S. dollar declined in value about 40 percent between 1985 and 1991.

### Real Interest Rate Effects

The effects that interest rates have on rural areas relative to the U.S. economy appear to depend on what time period is being examined. Analysts generally think that rising real interest rates tend to eventually raise the overall unemployment rate by reducing general economic activity. Before 1985, rural unemployment was more sensitive to an increase in real interest rates than the overall unemployment rate: an increase in real interest rates increased the rural unemployment rate more than the overall U.S. rate.

In 1985, the definition of rural areas changed as a result of the 1980 Census: about 30 percent of the rural labor force was reclassified as urban. The counties that remained rural were the most "rural" of the original group. This new definition changed the way the measured unemployment rate responded to changing real interest rates. After this reclassification, the rural unemployment rate appears to be less sensitive than the urban rate to real interest rate movements. A 1-percentage-point increase in real interest rates now typically increases the rural unemployment rate 0.1 percentage point less than it does the U.S. rate. The greater sensitivity to real interest rates seen before 1985 may have been due to interest-sensitive residential and commercial development in growing rural counties that were later reclassified as urban. Both before and after the reclassification, real interest rate movements take about 1 year to be fully felt in the rural economy.

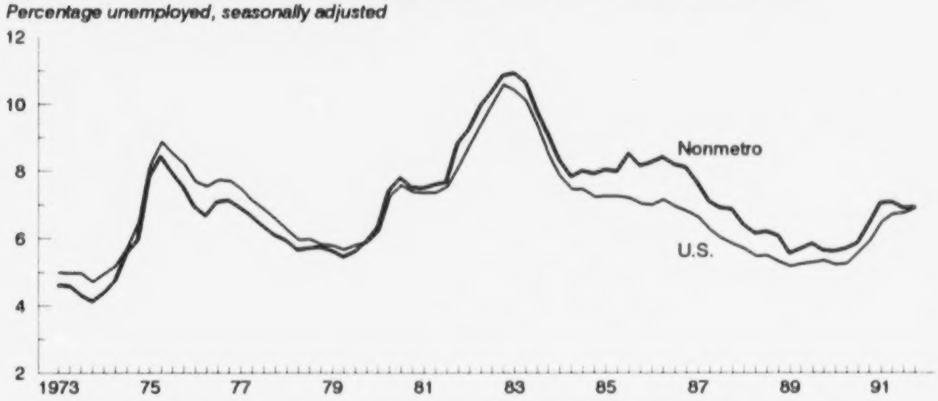
### The Last 10 Years

The unemployment rate in rural areas was much higher than the total U.S. rate during and after the 1981-82 recession. Real interest rates were extremely high and the value of the U.S. dollar was rising in the early to mid-1980's, when both contributed to relatively high unemployment in rural areas. The sustained increase in the U.S. dollar was a major factor in keeping the rural rate high relative to the overall rate until 1988. But, rural areas have not been hit disproportionately harder than urban areas in the 1990-91 recession, perhaps because of the relatively low value the U.S. dollar has maintained and the relatively rapid export growth over the last 2 years.

Many analysts believe that the overall U.S. unemployment rate will begin declining by the end of 1992. A steady exchange rate and a slight rise in real interest rates are also expected. If private forecasters are correct, rural areas could see declining unemployment rates, and those rates may be lower than the U.S. rate over the next year. *[Karen S. Hamrick, 202-219-0782]*

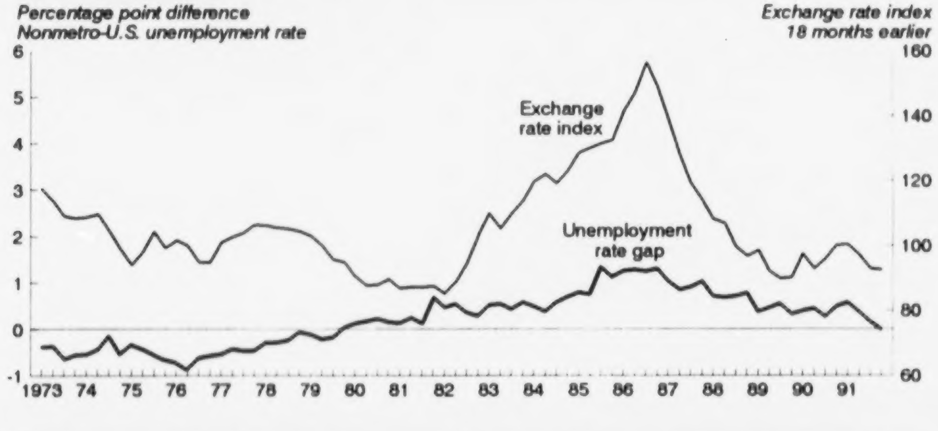
**U.S. and nonmetro unemployment rates, 1973-91**

**The nonmetro unemployment rate closely tracks the U.S. unemployment rate...**



**The exchange rate and the nonmetro-U.S. unemployment rate gap**

**...although a high value of the dollar in the mid-1980's increased the difference between the nonmetro rate and the U.S. rate**



The exchange rate index is from the Federal Reserve Board. Unemployment data are from the Current Population Survey. The quarterly unemployment data were seasonally adjusted by ERS to eliminate seasonal swings that obscure the underlying trend. Rural unemployment is prone to wider seasonal swings than U.S. unemployment, perhaps due to agriculture and recreational areas in rural counties.

# Latest Recession Hit Both Rural and Urban White-Collar Workers

*The recent recession differed from earlier recessions in that the number of white-collar workers declined. Job losses were also more widely distributed across industries. Because nonmanufacturing industries tend to be located in urban areas, the employment losses of this downturn were more evenly distributed between rural and urban areas than the employment losses of the 1981-82 recession.*

Blue-collar workers are traditionally more likely to be hurt by economic downturns than are white-collar workers. This situation was certainly true during the 1981-82 recession when white-collar and service-sector employment continued to grow even as many factories closed. However, during the 1990-91 recession, the numbers of urban and rural workers employed in white-collar occupations declined as corporations downsized, and the number of banks and retail establishments decreased. Despite this change, blue-collar workers still accounted for most of the fall in urban and rural employment in 1991.

### Rural White-Collar Employment Declined in 1990-91

Most of the employment losses caused by the latest recession occurred between mid-1990 and early 1991. A comparison of employment estimates from the March 1990 and March 1991 Current Population Surveys shows that the recession hit blue-collar workers the hardest. Between 1990 and 1991, the proportion of rural persons aged 20-64 holding blue-collar jobs fell by almost 1 percentage point. However, the recession also reached rural white-collar workers. Between 1990 and 1991, rural employment in white-collar occupations declined slightly. In the 1981-82 recession, the number of rural workers in these occupations actually grew by about 2 percent.

Sales and clerical workers bore the brunt of rural white-collar losses, declining by 4 percent. During the 1981-82 recession, this group of workers increased slightly. Service workers fared little better in 1990-91, growing by 1 percentage point, much less than the 1981-82 growth of 5 percent. The numbers of rural workers employed in professional, technical, and managerial occupations grew at about the same rate during 1990-91 as during the 1981-82 recession. Patterns of employment change in the blue-collar and white-collar occupations were similar in urban areas.

### Rural Employment in Nonmanufacturing Industries Also Declined

Shifts in the industrial mix of employment losses explain, in part, why white-collar workers were more affected in the 1990-91 recession than the 1981-82 recession. Although the effects of the 1981-82 recession were heavily concentrated in manufacturing, the recent recession also resulted in job losses in nonmanufacturing industries, industries that employ a large share of the white-collar workers.

Employment in rural nonmanufacturing industries declined slightly between 1990 and 1991, while it grew by 3 percent between 1981 and 1982. The downturn in rural nonmanufacturing industries was not the result of employment losses in any one industry, but across-the-board losses in the transportation, communications, utilities, natural resource, construction, and finance sectors. This situation contrasts with 1981-82 patterns of change which saw growth in the number of workers in most of these industries.

Like rural areas, urban areas had a declining number of manufacturing workers in both downturns and a declining number of nonmanufacturing workers between 1990 and 1991. The small decrease in the number of urban nonmanufacturing workers came from employment declines in the construction, finance, and government sectors.

### More Even Rural/Urban Distribution of Recession's Effects than in 1981-82

Between 1990 and 1991, the number of employed persons in rural areas declined by 0.4 percent compared with a drop of 0.7 percent in urban areas. The rural share of national employment losses (13 percent) was significantly lower than the rural share of employment (21 percent). During the 1981-82 recession, net employment grew much more slowly in rural areas than urban areas. In both areas, white-collar gains exceeded blue-collar losses, but the difference was much larger in urban areas.

Job losses were less concentrated in rural areas during the latest recession, at least in part because the businesses most affected by the downturn tend to be located in urban areas. Such businesses include large banks, commercial real estate developers, and defense contractors. By contrast, the 1981-82 recession was particularly severe for import-competing manufacturing. Thus, rural workers bore a disproportionate share of the employment losses.

## Recovery Outlook Mixed

As the economy moves toward recovery, job prospects should improve for all occupational groups. But, the vulnerability of both blue-collar and white-collar workers to layoffs may persist as some businesses, to remain competitive, continue to trim their payrolls. *[Elizabeth Morrissey Dagata, 202-219-0536]*

### Employment change by occupation and industry, 1990-91 and 1981-82

**Latest recession affected white-collar workers more than 1981-82 recession**

| Item | Nonmetro 1990 | Nonmetro 1991 | Nonmetro Change 1990-91 | Metro 1990 | Metro 1991 | Metro Change 1990-91 |
|---|---|---|---|---|---|---|
| | *—Thousands—* | | *Percent* | *—Thousands—* | | *Percent* |
| Total workers, 20-64 years old | 22,277 | 22,188 | -0.4 | 85,153 | 84,580 | -0.7 |
| By occupation: | | | | | | |
| Blue-collar | 8,875 | 8,806 | -.8 | 22,364 | 21,685 | -3.0 |
| White-collar | 10,580 | 10,540 | -.4 | 52,535 | 52,432 | -.2 |
| Professional and manager | 5,269 | 5,453 | 3.5 | 28,113 | 28,153 | .1 |
| Sales and clerical | 5,311 | 5,087 | -4.2 | 24,422 | 24,279 | -.6 |
| Service | 2,822 | 2,842 | .7 | 10,254 | 10,463 | 2.0 |
| By industry: | | | | | | |
| Manufacturing | 4,927 | 4,909 | -.4 | 15,191 | 14,645 | -3.6 |
| Nonmanufacturing | 17,350 | 17,279 | -.4 | 69,962 | 69,935 | * |
| Natural resources | 1,684 | 1,625 | -3.5 | 1,489 | 1,568 | 5.3 |
| Construction | 1,515 | 1,452 | -4.2 | 5,693 | 5,10 | -10.3 |
| Transportation | 1,418 | 1,383 | -2.5 | 6,403 | 6,580 | 2.8 |
| Finance | 996 | 921 | -7.5 | 6,723 | 6,441 | -4.2 |
| Trade and services | 10,715 | 10,855 | 1.3 | 45,264 | 46,024 | 1.7 |
| Government | 1,022 | 1,043 | 2.1 | 4,390 | 4,212 | -4.1 |

| Item | Nonmetro 1981 | Nonmetro 1982 | Nonmetro Change 1981-82 | Metro 1981 | Metro 1982 | Metro Change 1981-82 |
|---|---|---|---|---|---|---|
| | *—Thousands—* | | *Percent* | *—Thousands—* | | *Percent* |
| Total workers, 20-64 years old | 26,953 | 27,106 | 0.6 | 61,333 | 62,949 | 2.6 |
| By occupation: | | | | | | |
| Blue-collar | 11,673 | 11,386 | -2.5 | 18,276 | 17,904 | -2.0 |
| White-collar | 11,979 | 12,246 | 2.2 | 35,980 | 37,470 | 4.1 |
| Professional and manager | 6,638 | 6,861 | 3.4 | 19,657 | 20,509 | 4.3 |
| Sales and clerical | 5,341 | 5,385 | .8 | 16,323 | 16,961 | 3.9 |
| Service | 3,301 | 3,475 | 5.3 | 7,078 | 7,574 | 7.0 |
| By industry:[1] | | | | | | |
| Total wage and salary | 23,241 | 23,311 | .3 | 56,871 | 58,244 | 2.4 |
| Manufacturing | 6,255 | 5,822 | -6.9 | 13,632 | 13,101 | -3.9 |
| Nonmanufacturing | 16,986 | 17,489 | 3.0 | 43,239 | 45,143 | 4.4 |
| Natural resources | 1,266 | 1,252 | -1.1 | 867 | 931 | 7.4 |
| Construction | 1,246 | 1,220 | -2.1 | 2,678 | 2,624 | -2.0 |
| Transportation | 1,372 | 1,403 | 2.3 | 3,849 | 3,841 | -.2 |
| Finance | 987 | 1,024 | 3.7 | 4,005 | 4,234 | 5.7 |
| Trade and services | 7,397 | 7,829 | 5.8 | 21,980 | 23,494 | 6.9 |
| Government | 4,718 | 4,761 | .9 | 9,859 | 10,019 | 1.6 |

* = less than 0.1-percent decline.

[1] Only wage and salary employment was available by industry for 1981 and 1982.

Note: Totals may not add due to rounding.

Source: Current Population Survey. March 1990 and 1991 figures computed from public use computer tape files; 1981 and 1982 annual averages obtained from printed tables.

# Appendix: Data Sources and Definitions

## Data Sources

**Macroeconomic conditions:** The economic indicators used to monitor macroeconomic changes in the U.S. economy are derived from Federal sources. Measures of inflation, including the Consumer and Producer Price Indexes, and employment and unemployment data are developed by the U.S. Department of Labor's Bureau of Labor Statistics (BLS). National income and product account information on capital investment, gross domestic product, and net exports is produced by the Bureau of Economic Analysis (BEA), U.S. Department of Commerce. Information relating to monetary policy, including changes in interest rates and foreign exchange rates, and data on industrial production are furnished by the Federal Reserve Board of Governors.

**Employment data:** Data on nonmetro employment, unemployment, and earnings come from three sources. The monthly Current Population Survey (CPS), conducted by the Bureau of the Census for the U.S. Department of Labor, provides detailed information on the labor force, employment, unemployment, and demographic characteristics of the metro and nonmetro population. CPS derives estimates based on a national sample of about 60,000 households that are representative of the U.S. civilian noninstitutional population 16 years of age and over. Labor force information is based on respondents' activity during 1 week each month.

County-level employment data are taken from BLS' Local Area Unemployment Statistics files based on unemployment insurance claims and State surveys of establishment payrolls which are then benchmarked to State totals from the CPS. Thus, at the national and State levels, annual average BLS and CPS estimates are the same. The BLS data series provides monthly estimates of labor force, employment, and unemployment for individual counties.

BEA payroll jobs data, unlike the household data collected by the CPS and BLS, provide establishment data on the number of jobs rather than the number of workers. The BEA data are taken primarily from administrative reports filed by employers covered under unemployment insurance laws. Thus, jobs are counted at the place of work and are based on a virtual universal count rather than a sample. However, the payroll jobs data exclude jobs in agriculture and the self-employed in all industries.

Each of these data sets has its advantages and disadvantages. CPS furnishes detailed employment, unemployment, and demographic data for metro and nonmetro portions of the Nation. The BEA provides estimates of the number of payroll jobs. BLS provides less detailed employment data than CPS, but offers very current employment and unemployment information at the county level. While these data sources are likely to provide different estimates of employment conditions at any point in time, they generally indicate similar trends.

## Definitions

Throughout ***Rural Conditions and Trends***, we use "rural" and "nonmetro" interchangeably. The same holds for "urban" and "metro." However, in tables we use "nonmetro" and "metro," the original and more accurate terms used in the data sources.

**Adjusted unemployment rate:** The number of unemployed people, discouraged workers who have given up looking for work, and half of the workers who work part time but want full-time work as a percentage of the civilian labor force plus discouraged workers.

**Civilian labor force:** Noninstitutional civilians aged 16 or older who are either employed or unemployed. Individuals who are neither employed nor unemployed are out of the labor force.

**Consumer Price Index (CPI):** A measure of the average price level of a basket of consumer goods and services at the retail level for a specific period compared against a benchmark period.

**County type classification:** A recently updated USDA classification of nonmetro counties by principal economic activity or demographic base. The categories used in this issue are as follows:

Farming-dependent—counties where farming accounted for a weighted annual average of 20 percent or more of total labor and proprietor income (TLPI) in 1981, 1982, 1984, 1985, and 1986.
Manufacturing-dependent—counties where manufacturing contributed 30 percent of more of TLPI in 1986.
Mining-dependent—counties where mining contributed 20 percent or more to TLPI in 1986.
Retirement-destination—counties where the net inmigration rates of people aged 60 and over were 15 percent or more of the expected 1980 population aged 60 and over for the period 1970-80.

For further information, see Thomas F. Hady and Peggy J. Ross, ***An Update: The Diverse Social and Economic Structure of Nonmetro America***, AGES 9036, U.S. Department of Agriculture, Economic Research Service, June 1990.

**Foreign exchange rate:** The rate at which one currency is traded for another. The Federal Reserve publishes a measure of the overall foreign exchange rate of the U.S. dollar based on the rates of the 10 major U.S. trading partners.

**Gross domestic product (GDP):** The value of final output produced by people, government, and firms in the United States, whether they are U.S. or foreign citizens or U.S.- or foreign-owned firms. Output of U.S. citizens or firms located outside the United States is not included. This statistic is reported quarterly but is revised in each of the 2 months following the initial release. Nominal GDP measures final goods and services at current prices. Real GDP measures final goods and services at 1987 prices to adjust for inflation.

**Industry:** In this issue, industries are classified as manufacturing and nonmanufacturing. Within nonmanufacturing, industries are further classified as natural resources (agriculture, mining, forestry, and fishing), construction, transportation (including communications and public utilities), finance (including insurance and real estate), trade and services, and government (Federal, State, and local).

**Inflation rate:** The percentage change in a measure of the average price level. Changes are reported on a monthly basis and are stated as annual rates for longer term comparisons. The two major measures of the average price level are the Consumer and Producer Price Indexes.

**Labor force participation rate:** The civilian labor force as a percentage of the civilian noninstitutional population 16 and older.

**Metro areas:** Metropolitan Statistical Areas (MSA's), as defined by the Office of Management and Budget, include core counties containing a city of 50,000 or more people and a total area population of at least 100,000. Additional contiguous counties are included in the MSA if they are economically and socially integrated with the core county. Throughout this publication, "urban" and "metro" are used interchangeably to refer to people and places within MSA's.

**Nonmetro areas:** Counties outside metro area boundaries. Throughout this publication, "rural" and "nonmetro" are used interchangeably to refer to people and places outside of MSA's.

**Nonmetro county rural-urban continuum classification:** A classification that distinguishes among nonmetro counties by degree of urbanization and proximity to metro areas. The categories are as follows:

Urban adjacent—aggregate urban population (people living in places of 2,500 or more) of 20,000 or more, adjacent to a metro area.
Urban nonadjacent—urban population of 20,000 or more, not adjacent to a metro area.
Less urban adjacent—urban population of 2,500 to 19,999, adjacent to a metro area.
Less urban nonadjacent—urban population of 2,500 to 19,999, not adjacent to a metro area.
Rural adjacent—completely rural (county contains no place of 2,500 or more population), adjacent to a metro area.
Rural nonadjacent—completely rural, not adjacent to a metro area.

This nonmetro classification is part of a larger classification that also groups metro areas by size. For further information, see Margaret A. Butler, ***Rural-Urban Continuum Codes for Metro and Nonmetro Counties***, AGES 9028, U.S. Department of Agriculture, Economic Research Service, April 1990.

**Nonmetro minority counties:** A classification of nonmetro counties by race and ethnicity. Minority counties are nonmetro counties in which 25 percent or more of the total population in 1990 belonged to a single minority group—Black, Hispanic, or Native American. The groups are as follows:

Black—332 nonmetro counties in which 63.1 percent of all nonmetro Blacks lived in 1990.
Hispanic—123 nonmetro counties in which 51.1 percent of all nonmetro Hispanics lived in 1990.
Native American—44 nonmetro counties in which 41.3 percent of all nonmetro Native Americans (American Indians, Eskimos, and Aleuts) lived in 1990.

**Occupation:** Occupational classifications used in this issue include blue-collar (craftspersons, repairers, operators, fabricators, laborers, and farm workers), white-collar (executives including managers, administrators, professionals, and technicians, and sales and clerical workers, including administrative support), and service workers (including private household, protective, and other service workers).

**Producer Price Index:** A measure of the average price received by producers of finished goods at the wholesale level during a specific period compared against a benchmark period.

**Region and division:** Regions and divisions defined by the Bureau of the Census are used in this issue. The States in each area are as follows:

Northeast—
New England—Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont.
Middle Atlantic—New Jersey, New York, and Pennsylvania.

Midwest—
East North Central—Illinois, Indiana, Michigan, Ohio, and Wisconsin.
West North Central—Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, and South Dakota.

South—
South Atlantic—Delaware, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, and West Virginia.
East South Central—Alabama, Kentucky, Mississippi, and Tennessee.
West South Central—Arkansas, Louisiana, Oklahoma, and Texas.

West—
Mountain—Arizona, Colorado, Idaho, Nevada, New Mexico, Montana, Utah, and Wyoming.
Pacific—Alaska, California, Hawaii, Oregon, and Washington.

**Unemployment rate:** The number of unemployed people 16 years and older as a percentage of the civilian labor force 16 years and older.

## Appendix Tables

### Appendix table 1—Nonmetro employment: Quarterly and annual averages

| Year/ quarter | Population 16+ | Labor force | Labor force participation | Employed | Employment-population ratio | Unemployed | Unemployment rate | Adjusted unemployment rate[1] |
|---|---|---|---|---|---|---|---|---|
| | *Thousands* | | *Percent* | *Thousands* | *Percent* | *Thousands* | *Percent* | |
| 1992: | | | | | | | | |
| 1st | 42,114 | 26,232 | 62.3 | 24,052 | 57.1 | 2,179 | 8.3 | 12.4 |
| 1991: | | | | | | | | |
| 4th | 42,328 | 26,442 | 62.5 | 24,745 | 58.5 | 1,697 | 6.4 | 10.1 |
| 3rd | 41,904 | 26,364 | 62.9 | 24,683 | 58.9 | 1,681 | 6.4 | 10.3 |
| 2nd | 42,017 | 26,529 | 63.1 | 24,673 | 58.7 | 1,856 | 7.0 | 10.7 |
| 1st | 42,073 | 26,049 | 61.9 | 23,898 | 56.8 | 2,151 | 8.3 | 12.3 |
| 1990: | | | | | | | | |
| 4th | 42,106 | 26,361 | 62.6 | 24,776 | 58.8 | 1,585 | 6.0 | 9.7 |
| 3rd | 42,079 | 26,607 | 63.2 | 25,158 | 59.8 | 1,450 | 5.4 | 8.8 |
| 2nd | 41,774 | 26,417 | 63.2 | 24,934 | 59.7 | 1,483 | 5.6 | 8.9 |
| 1st | 41,660 | 25,893 | 62.2 | 24,196 | 58.1 | 1,697 | 6.6 | 10.0 |
| 1989: | | | | | | | | |
| 4th | 41,646 | 26,168 | 62.8 | 24,778 | 59.9 | 1,390 | 5.3 | 8.6 |
| 3rd | 41,755 | 26,783 | 64.1 | 25,323 | 60.6 | 1,459 | 5.4 | 8.7 |
| 2nd | 41,588 | 26,389 | 63.5 | 24,919 | 59.9 | 1,470 | 5.6 | 8.9 |
| 1st | 40,912 | 25,441 | 62.2 | 23,807 | 58.2 | 1,634 | 6.4 | 10.2 |
| 1988: | | | | | | | | |
| 4th | 40,629 | 25,510 | 62.8 | 24,024 | 59.2 | 1,469 | 5.8 | 9.4 |
| 3rd | 40,812 | 25,793 | 63.2 | 24,294 | 59.5 | 1,499 | 5.8 | 9.6 |
| 2nd | 40,877 | 25,513 | 62.4 | 23,978 | 58.7 | 1,535 | 6.0 | 9.8 |
| 1st | 40,522 | 24,819 | 61.2 | 22,996 | 56.7 | 1,823 | 7.3 | 11.6 |
| 1987: | | | | | | | | |
| 4th | 40,280 | 25,087 | 62.3 | 23,449 | 58.2 | 1,638 | 6.5 | 10.6 |
| 3rd | 40,214 | 25,277 | 62.9 | 23,634 | 58.8 | 1,643 | 6.5 | 10.5 |
| 2nd | 40,497 | 25,186 | 62.2 | 23,437 | 57.9 | 1,749 | 6.9 | 10.9 |
| 1st | 40,745 | 24,856 | 61.0 | 22,688 | 55.7 | 2,167 | 8.7 | 13.1 |
| 1991 | 42,080 | 26,346 | 62.6 | 24,500 | 58.2 | 1,846 | 7.0 | 10.8 |
| 1990 | 41,905 | 26,319 | 62.8 | 24,766 | 59.1 | 1,554 | 5.9 | 9.4 |
| 1989 | 41,482 | 26,209 | 63.2 | 24,718 | 59.6 | 1,491 | 5.7 | 9.1 |
| 1988 | 40,710 | 25,409 | 62.4 | 23,827 | 58.5 | 1,582 | 6.2 | 10.1 |
| 1987 | 40,434 | 25,101 | 62.1 | 23,302 | 57.6 | 1,799 | 7.2 | 11.3 |
| 1986 | 40,646 | 25,171 | 61.9 | 23,091 | 56.8 | 2,080 | 8.3 | 12.8 |
| 1985 | 40,493 | 24,781 | 61.2 | 22,700 | 56.1 | 2,081 | 8.4 | 13.0 |
| 1984 | 55,946 | 34,725 | 62.1 | 31,930 | 57.1 | 2,796 | 8.1 | 12.2 |
| 1983 | 55,294 | 34,156 | 61.8 | 30,696 | 55.5 | 3,460 | 10.1 | 14.9 |
| 1982 | 54,727 | 33,740 | 61.7 | 30,335 | 55.4 | 3,405 | 10.1 | 14.9 |
| 1981 | 53,449 | 33,092 | 61.9 | 30,488 | 57.0 | 2,603 | 7.9 | 11.5 |
| 1980 | 52,706 | 32,512 | 61.7 | 30,150 | 57.2 | 2,362 | 7.3 | 10.7 |
| 1979 | 51,563 | 31,716 | 61.5 | 29,916 | 58.0 | 1,800 | 5.7 | 8.5 |

Note: Beginning in 1985, estimation procedures for the Current Population Survey are based on the 1980 Census. That change accounts for the large drop in the nonmetro population and labor force between 1984 and 1985. Quarterly data shown in this table are not seasonally adjusted, and, therefore, do not match seasonally adjusted numbers analyzed in the "Employment" and "Unemployment" articles.

[1] Unemployment rate adjusted to include discouraged workers and half of the workers employed part time for economic reasons.

Source: Current Population Survey.

## Appendix table 2—Metro employment: Quarterly and annual averages

| Year/ quarter | Population 16+ | Labor force | Labor force participation | Employed | Employment-population ratio | Unemployed | Unemployment rate | Adjusted unemployment rate[1] |
|---|---|---|---|---|---|---|---|---|
| | *Thousands* | | *Percent* | *Thousands* | *Percent* | *Thousands* | *Percent* | |
| 1992: | | | | | | | | |
| 1st | 148,774 | 99,186 | 66.7 | 91,432 | 61.5 | 7,754 | 7.8 | 11.1 |
| 1991: | | | | | | | | |
| 4th | 148,121 | 98,915 | 66.8 | 92,327 | 62.3 | 6,589 | 6.7 | 9.8 |
| 3rd | 148,074 | 99,912 | 67.5 | 93,299 | 63.0 | 6,613 | 6.6 | 9.7 |
| 2nd | 147,506 | 99,017 | 67.1 | 92,522 | 62.7 | 6,496 | 6.6 | 9.4 |
| 1st | 147,039 | 97,984 | 66.6 | 91,362 | 62.1 | 6,622 | 6.8 | 9.7 |
| 1990: | | | | | | | | |
| 4th | 146,589 | 98,463 | 67.2 | 92,956 | 63.4 | 5,507 | 5.6 | 8.2 |
| 3rd | 146,187 | 99,290 | 67.9 | 93,872 | 64.2 | 5,417 | 5.5 | 8.0 |
| 2nd | 146,051 | 98,504 | 67.4 | 93,480 | 64.0 | 5,024 | 5.1 | 7.4 |
| 1st | 145,751 | 97,615 | 67.0 | 92,238 | 63.3 | 5,332 | 5.5 | 7.8 |
| 1989: | | | | | | | | |
| 4th | 145,371 | 98,191 | 67.5 | 93,242 | 64.1 | 4,949 | 5.0 | 7.3 |
| 3rd | 144,848 | 98,373 | 67.9 | 93,366 | 64.5 | 5,007 | 5.1 | 7.5 |
| 2nd | 144,589 | 97,391 | 67.4 | 92,449 | 63.9 | 4,942 | 5.1 | 7.5 |
| 1st | 144,861 | 96,633 | 66.7 | 91,411 | 63.1 | 5,223 | 5.4 | 7.9 |
| 1988: | | | | | | | | |
| 4th | 144,625 | 96,886 | 67.0 | 92,139 | 63.7 | 4,748 | 4.9 | 7.4 |
| 3rd | 144,028 | 97,249 | 67.5 | 92,132 | 64.0 | 5,117 | 5.3 | 8.0 |
| 2nd | 143,512 | 95,843 | 66.8 | 90,801 | 63.3 | 5,042 | 5.3 | 7.8 |
| 1st | 143,445 | 95,061 | 66.3 | 89,492 | 62.4 | 5,569 | 5.9 | 8.6 |
| 1987: | | | | | | | | |
| 4th | 143,187 | 95,433 | 66.6 | 90,347 | 63.1 | 5,086 | 5.3 | 7.9 |
| 3rd | 142,802 | 95,924 | 67.2 | 90,434 | 63.3 | 5,490 | 5.7 | 8.6 |
| 2nd | 142,030 | 94,546 | 66.6 | 88,869 | 62.6 | 5,677 | 6.0 | 8.7 |
| 1st | 141,257 | 93,152 | 65.9 | 86,904 | 61.5 | 6,249 | 6.7 | 9.6 |
| 1991 | 147,685 | 98,957 | 67.0 | 92,377 | 62.6 | 6,580 | 6.6 | 9.6 |
| 1990 | 146,144 | 98,468 | 67.4 | 93,148 | 63.7 | 5,320 | 5.4 | 7.9 |
| 1989 | 144,911 | 97,660 | 67.4 | 92,624 | 63.9 | 5,036 | 5.2 | 7.5 |
| 1988 | 143,903 | 96,260 | 66.9 | 91,141 | 63.3 | 5,119 | 5.3 | 7.9 |
| 1987 | 142,319 | 94,764 | 66.6 | 89,138 | 62.6 | 5,625 | 5.9 | 8.7 |
| 1986 | 139,941 | 92,665 | 66.2 | 86,508 | 61.8 | 6,157 | 6.6 | 9.5 |
| 1985 | 137,713 | 90,684 | 65.9 | 84,453 | 61.3 | 6,231 | 6.9 | 9.9 |
| 1984 | 120,437 | 78,819 | 65.4 | 73,076 | 60.7 | 5,743 | 7.3 | 10.4 |
| 1983 | 118,922 | 77,394 | 65.1 | 70,137 | 59.0 | 7,257 | 9.4 | 13.1 |
| 1982 | 117,544 | 76,465 | 65.1 | 69,192 | 58.9 | 7,273 | 9.5 | 13.1 |
| 1981 | 112,987 | 73,301 | 64.9 | 67,825 | 60.0 | 5,476 | 7.5 | 10.3 |
| 1980 | 111,438 | 72,207 | 64.8 | 67,120 | 60.2 | 5,087 | 7.0 | 9.5 |
| 1979 | 109,969 | 71,192 | 64.7 | 67,029 | 61.0 | 4,163 | 5.8 | 8.0 |

Note: Beginning in 1985, estimation procedures for the Current Population Survey are based on the 1980 Census. Quarterly data shown in this table are not seasonally adjusted, and, therefore, do not match seasonally adjusted numbers analyzed in the "Employment" and "Unemployment" articles.

[1] Unemployment rate adjusted to include discouraged workers and half of the workers employed part time for economic reasons.

Source: Current Population Survey.

## Appendix table 3—Average unemployment rates for nonmetro county groups

| Item | 1979 | 1982 | 1989 | 1990 | 1991 |
|---|---|---|---|---|---|
| | | | *Percent* | | |
| U.S. total | 5.8 | 9.7 | 5.3 | 5.5 | 6.7 |
| Metro | 5.7 | 9.3 | 5.0 | 5.2 | 6.5 |
| Nonmetro | 6.1 | 11.1 | 6.4 | 6.5 | 7.6 |
| Region: | | | | | |
| Northeast | 7.0 | 10.5 | 5.2 | 6.1 | 8.1 |
| Midwest | 5.5 | 10.8 | 5.9 | 6.1 | 6.8 |
| South | 6.1 | 11.1 | 6.8 | 6.7 | 7.9 |
| West | 7.3 | 12.0 | 7.4 | 7.1 | 8.0 |
| County type: | | | | | |
| Farming | 5.5 | 9.6 | 6.5 | 6.2 | 6.9 |
| Manufacturing | 6.4 | 12.5 | 6.3 | 6.7 | 7.9 |
| Mining | 6.1 | 11.4 | 8.6 | 7.7 | 9.3 |
| Retirement | 6.6 | 11.3 | 6.5 | 6.7 | 7.9 |
| Urban-rural continuum codes: | | | | | |
| Adjacent | 6.2 | 11.4 | 6.2 | 6.5 | 7.8 |
| Urban | 6.4 | 11.7 | 5.9 | 6.2 | 7.6 |
| Less urban | 6.1 | 11.3 | 6.5 | 6.6 | 7.8 |
| Rural | 6.3 | 11.0 | 6.5 | 6.7 | 7.9 |
| Nonadjacent | 6.1 | 10.7 | 6.6 | 6.5 | 7.5 |
| Urban | 6.4 | 11.7 | 5.9 | 6.4 | 7.4 |
| Less urban | 6.0 | 10.8 | 6.6 | 6.6 | 7.5 |
| Rural | 5.9 | 10.2 | 6.5 | 6.5 | 7.6 |
| Minority counties: | | | | | |
| Black | 6.5 | 11.7 | 7.1 | 7.0 | 8.2 |
| Hispanic | 7.5 | 11.5 | 9.9 | 9.4 | 10.1 |
| Native American | 7.8 | 12.7 | 8.4 | 8.7 | 9.3 |

Source: Bureau of Labor Statistics.

## Appendix table 4—Annual average employment change

| Item | 1979-86 | 1986-90 | 1989-90 | 1990-91 |
|---|---|---|---|---|
| | *Percent* | | | |
| U.S. total | 10.9 | 7.5 | 0.5 | -0.9 |
| Metro | 12.9 | 7.6 | .4 | -1.0 |
| Nonmetro | 3.8 | 7.3 | .8 | -.4 |
| Region: | | | | |
| Northeast | 8.9 | 8.2 | .8 | -1.4 |
| Midwest | -2.8 | 6.1 | .4 | -.1 |
| South | 6.3 | 7.2 | .9 | -.7 |
| West | 9.0 | 9.8 | 1.2 | .2 |
| County type: | | | | |
| Farming | -3.4 | 3.9 | .2 | -.6 |
| Manufacturing | 2.9 | 7.0 | .3 | -1.1 |
| Mining | -9.6 | 1.4 | 1.8 | -.5 |
| Retirement | 17.8 | 12.1 | 1.5 | -.1 |
| Urban-rural continuum codes: | | | | |
| Adjacent | 6.1 | 7.7 | .5 | -.6 |
| Urban | 7.9 | 8.2 | .6 | -.6 |
| Less urban | 4.5 | 7.2 | .4 | -.6 |
| Rural | 7.9 | 8.9 | .5 | -.2 |
| Nonadjacent | 1.7 | 6.9 | 1.1 | -.3 |
| Urban | 4.4 | 7.7 | 1.1 | .1 |
| Less urban | .5 | 6.6 | .9 | -.4 |
| Rural | .3 | 6.1 | 1.5 | -1.0 |
| Minority counties: | | | | |
| Black | -1.0 | 5.7 | .2 | -1.0 |
| Hispanic | 9.2 | 7.5 | .2 | 1.5 |
| Native American | 4.7 | 5.8 | .3 | .4 |

Note: 1989 and 1990 data revised.
Source: Bureau of Labor Statistics.

## Appendix table 5—Nonmetro employment and unemployment by State

| State | Employment change 1989-90 | Employment change 1990-91 | Unemployment rate 1990 | Unemployment rate 1991 |
|---|---|---|---|---|
| | *Percent* | | | |
| Alabama | -1.3 | -1.3 | 8.1 | 8.7 |
| Alaska | .3 | -.7 | 8.5 | 10.1 |
| Arizona | 1.9 | 0 | 9.7 | 9.6 |
| Arkansas | .3 | -2.0 | 7.5 | 7.9 |
| California | -2.3 | .8 | 9.4 | 11.5 |
| Colorado | 6.7 | -.9 | 5.7 | 6.0 |
| Connecticut | .8 | .2 | 5.9 | 7.8 |
| Delaware | -.8 | 1.8 | 5.5 | 6.5 |
| Florida | 4.5 | -1.2 | 6.9 | 8.1 |
| Georgia | .1 | -1.8 | 6.2 | 5.7 |
| Hawaii | 5.1 | 6.4 | 3.4 | 3.6 |
| Idaho | .2 | .9 | 6.5 | 6.8 |
| Illinois | -.5 | .5 | 7.8 | 8.7 |
| Indiana | -2.4 | -2.5 | 6.2 | 6.9 |
| Iowa | -1.5 | .6 | 4.4 | 4.8 |
| Kansas | .7 | -.3 | 4.3 | 4.3 |
| Kentucky | 2.5 | -2.6 | 7.0 | 8.7 |
| Louisiana | 1.2 | 1.5 | 7.6 | 9.1 |
| Maine | 2.8 | -.6 | 5.5 | 7.9 |
| Maryland | -.3 | 2.8 | 6.4 | 7.6 |
| Massachusetts | -1.2 | -4.8 | 6.8 | 10.0 |
| Michigan | .8 | -1.7 | 8.9 | 10.7 |
| Minnesota | 4.1 | .7 | 5.8 | 5.9 |
| Mississippi | 1.6 | -1.7 | 8.2 | 9.7 |
| Missouri | 1.5 | 1.4 | 6.7 | 7.4 |
| Montana | -.8 | -1.0 | 6.0 | 7.5 |
| Nebraska | 3.7 | 2.4 | 2.2 | 2.7 |
| Nevada | -.2 | .7 | 5.2 | 5.2 |
| New Hampshire | 2.9 | 0 | 5.2 | 6.8 |
| New Mexico | 1.4 | 2.0 | 7.1 | 7.9 |
| New York | 1.1 | -2.7 | 5.5 | 7.9 |
| North Carolina | -.8 | -.3 | 5.0 | 6.9 |
| North Dakota | -3.0 | -3.3 | 4.7 | 4.9 |
| Ohio | .3 | .3 | 7.2 | 8.1 |
| Oklahoma | 2.6 | -3.1 | 5.9 | 7.5 |
| Oregon | 1.0 | -.3 | 7.2 | 7.6 |
| Pennsylvania | .1 | -.4 | 7.2 | 8.8 |
| Rhode Island | -6.9 | -6.1 | 6.1 | 8.1 |
| South Carolina | 1.0 | -1.2 | 6.2 | 8.2 |
| South Dakota | -.1 | .1 | 3.8 | 3.6 |
| Tennessee | 2.4 | -1.1 | 6.9 | 8.8 |
| Texas | -.2 | 1.5 | 6.3 | 6.6 |
| Utah | .1 | .2 | 5.3 | 5.9 |
| Vermont | -.7 | -1.3 | 5.4 | 7.1 |
| Virginia | 1.9 | 1.7 | 6.3 | 8.3 |
| Washington | 3.0 | -1.1 | 7.1 | 8.8 |
| West Virginia | .9 | -.7 | 9.4 | 11.7 |
| Wisconsin | .8 | -.8 | 5.2 | 6.3 |
| Wyoming | 3.9 | -2.1 | 5.2 | 4.9 |

Note: 1989 and 1990 data revised. There are no nonmetro counties in the District of Columbia or New Jersey.
Source: Bureau of Labor Statistics.

## Appendix table 6—Metro employment and unemployment by State

| | Annual averages | | | |
|---|---|---|---|---|
| | Employment change | | Unemployment rate | |
| State | 1989-90 | 1990-91 | 1990 | 1991 |
| | Percent | | | |
| Alabama | -0.1 | 0.2 | 6.0 | 6.3 |
| Alaska | 2.4 | -1.9 | 5.2 | 6.7 |
| Arizona | .9 | -1.9 | 4.3 | 4.7 |
| Arkansas | .2 | -1.7 | 6.1 | 6.6 |
| California | .6 | -1.0 | 5.4 | 7.4 |
| Colorado | 4.1 | 0 | 4.8 | 4.7 |
| Connecticut | 0 | -1.2 | 5.0 | 6.6 |
| Delaware | -1.7 | -1.7 | 5.1 | 6.2 |
| District of Columbia | -7.0 | -6.5 | 6.7 | 7.8 |
| Florida | 2.2 | -.4 | 5.8 | 7.2 |
| Georgia | 1.1 | -.7 | 5.1 | 4.7 |
| Hawaii | 1.6 | 3.4 | 2.6 | 2.3 |
| Idaho | 2.1 | 2.6 | 3.8 | 4.1 |
| Illinois | .1 | -1.4 | 5.8 | 6.9 |
| Indiana | -2.2 | -1.6 | 4.9 | 5.5 |
| Iowa | -.5 | 1.4 | 4.0 | 4.4 |
| Kansas | .9 | -.5 | 4.5 | 4.5 |
| Kentucky | 1.2 | -3.3 | 4.7 | 6.0 |
| Louisiana | .3 | 2.4 | 5.8 | 6.4 |
| Maine | 1.4 | -1.2 | 4.7 | 7.1 |
| Maryland | -.6 | -.9 | 4.5 | 5.8 |
| Massachusetts | -2.6 | -4.4 | 5.9 | 8.9 |
| Michigan | -1.1 | -2.8 | 7.2 | 8.8 |
| Minnesota | 1.2 | .9 | 4.4 | 4.7 |
| Mississippi | 2.2 | -.5 | 5.8 | 6.3 |
| Missouri | 0 | 1.0 | 5.3 | 6.2 |
| Montana | .4 | -1.1 | 4.9 | 5.5 |
| Nebraska | 4.9 | .8 | 2.1 | 2.7 |
| Nevada | 4.9 | 3.7 | 4.9 | 5.6 |
| New Hampshire | -.2 | -1.6 | 6.0 | 7.5 |
| New Jersey | .5 | -2.4 | 5.0 | 6.6 |
| New Mexico | .1 | .7 | 5.3 | 5.6 |
| New York | -.3 | -3.2 | 5.2 | 7.1 |
| North Carolina | 0 | -.6 | 3.4 | 4.9 |
| North Dakota | .2 | -1.7 | 3.1 | 3.2 |
| Ohio | .1 | -.9 | 5.3 | 5.9 |
| Oklahoma | .2 | -2.3 | 5.4 | 6.1 |
| Oregon | 1.4 | 1.0 | 4.8 | 5.3 |
| Pennsylvania | -.2 | -1.2 | 5.1 | 6.6 |
| Rhode Island | -4.3 | -2.1 | 6.8 | 8.6 |
| South Carolina | 2.2 | -.1 | 3.8 | 5.0 |
| South Dakota | 1.7 | 2.4 | 2.7 | 2.5 |
| Tennessee | .5 | -.5 | 4.4 | 5.5 |
| Texas | 1.0 | .8 | 6.1 | 6.6 |
| Utah | 1.0 | 1.1 | 4.0 | 4.6 |
| Vermont | -.6 | -.4 | 3.4 | 4.5 |
| Virginia | 1.0 | 1.8 | 3.6 | 5.0 |
| Washington | 3.6 | -1.8 | 4.4 | 5.8 |
| West Virginia | 1.1 | -1.4 | 6.5 | 8.5 |
| Wisconsin | -1.7 | -.9 | 4.0 | 5.0 |
| Wyoming | 4.8 | -2.5 | 5.8 | 5.7 |

Note: 1989 and 1990 data revised.
Source: Bureau of Labor Statistics.

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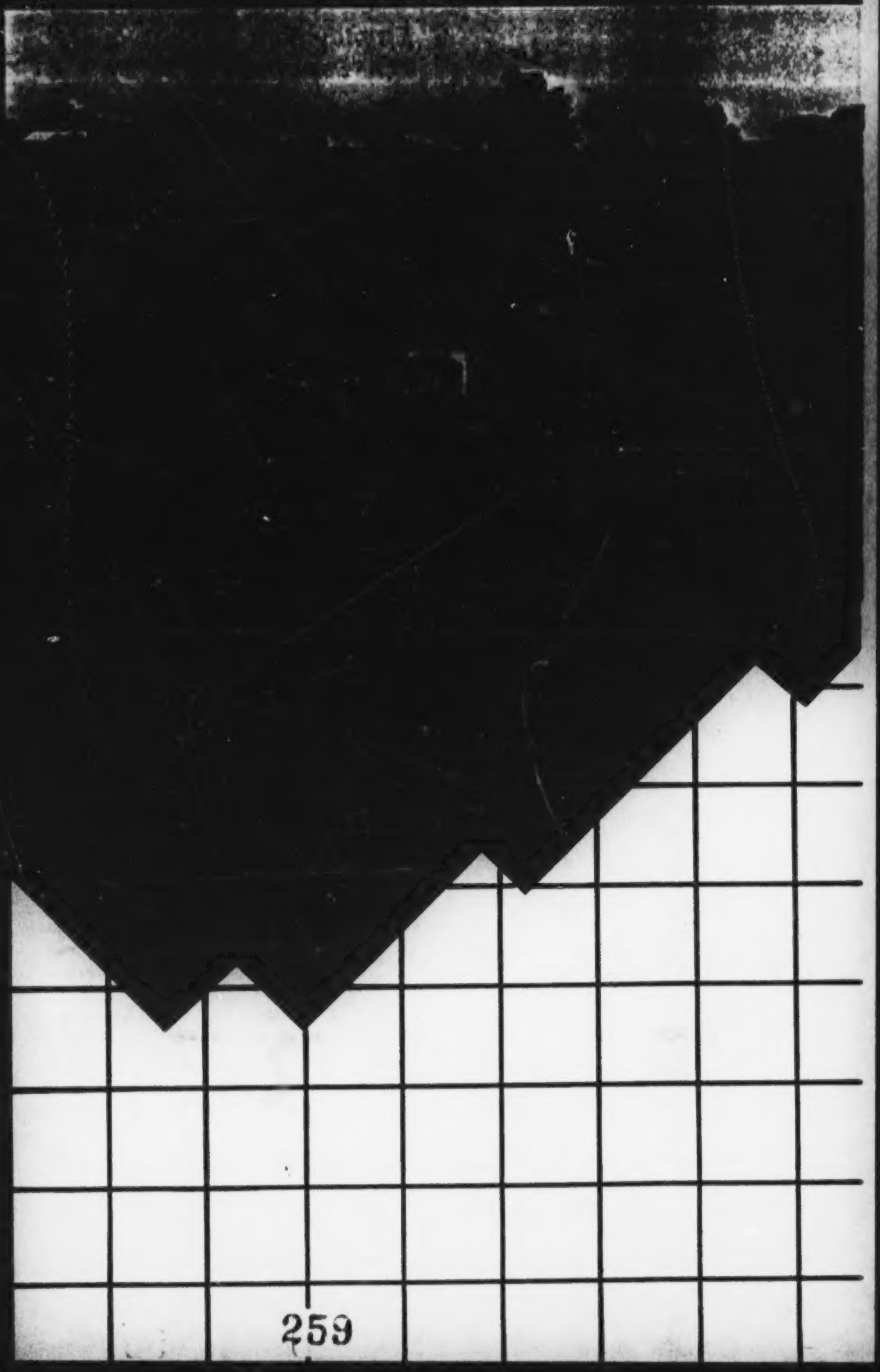

Rural employment growth matches labor force growth

Weak foreign economies contribute to slow U.S. growth

*Special Articles*
Farm entrepreneurs prospered in 1990

Farmworkers' earnings lagged others

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# Rural Conditions and Trends

Fall 1992, Vol. 3, No. 3

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# Rural, Urban, National, and International Economies Generally Flat

*Rural unemployment remains high as employment growth only matches labor force growth. Conditions in other nations contribute to sluggish U.S. growth. Special articles describe the relatively high economic status of farm entrepreneurs and the relatively low economic status of farmworkers.*

The rural unemployment rate was 7.1 percent in the second quarter of 1992, not appreciably different from the rates during the previous five quarters. Although the number of rural people employed has grown slowly over this period, that growth has only matched growth in the labor force, leaving the unemployment rate about the same as in early 1991. The urban unemployment rate climbed slightly above the rural rate over this period as urban employment growth lagged labor force growth.

Several factors contribute to the sluggishness in employment growth that is keeping the unemployment rate high. Consumers and producers, nationally, are reducing debt rather than spending or investing. Government purchases have been flat, and export growth has slowed. With exports accounting for 11 percent of goods and services produced in the United States, the economic health of our major trading partners plays an important part in the growth of our economy.

The top two U.S. trading partners, Canada and Japan, are also experiencing sluggish economic conditions. Canada's business cycles generally parallel ours; their economy went into recession in 1990, shortly before ours did, and has been slow to recover. Japan takes the second largest share of our exports. The Japanese Government raised interest rates to dampen speculation in their real estate and stock markets. The strategy succeeded, but also contributed to halving growth in their gross domestic product.

On the other hand, Mexico, the third largest purchaser of our exports, has remained a robust importer of U.S. products. Economic reforms and the prospect of free trade with other North American countries have buoyed the Mexican economy.

Analysts expect the U.S. economy to begin growing more quickly in 1993, with inflation and interest rates remaining relatively low. However, more uncertainty surrounds this projection than is typical.

### New Section Initiated

This issue inaugurates a new section, "The Rural Work Force." Special articles on rural industries, work hours, fringe benefits, or other aspects of work in rural areas occasionally will appear in this section. The first articles in this series are on the economic status of nonmetro farmers and farmworkers.

### Farm Entrepreneurs Have Relatively High Income; Farmworkers Trail Others' Earnings

In 1990, farm entrepreneurs (those who reported earnings from farm self-employment or who reported farm ownership or management as their primary occupation) had a higher median income than other nonmetro workers. Those farmers who obtained more than half of their income from off-farm sources had the highest income of all. Mixing farming with a substantial amount of off-farm work apparently provides a good living.

The weekly earnings of farmworkers, in contrast, were among the lowest of all nonmetro occupations in 1991. Only private household workers and "other service" workers had lower weekly earnings. Hired farmwork is sporadic, highly seasonal employment. Farmworkers can supplement their farm earnings with off-farm work, but the jobs they qualify for in the nonfarm sector are also low-paying because of their low education levels. *[Linda M. Ghelfi, 202-219-0520]*

# National Economy Grows Slowly

*The U.S. economy continues to grow slowly and unemployment remains high, but inflation and interest rates are relatively low. Developments abroad have contributed to sluggishness in the U.S. economy, but they may lead to faster growth in 1993.*

Although early in 1992 many forecasters predicted the U.S. economy would be making significant gains as the year progressed, it continued to grow slowly in the late summer and early fall. The unemployment rate remained around 7.6 percent in the third quarter, the highest quarterly average since 1984. The number of nonfarm payroll jobs rose by less than 50,000 a month from December 1991 through August 1992, compared with a typical monthly gain of more than 170,000 prior to the onset of the recession.

Even though the number of manufacturing jobs fell in the third quarter, productivity rose and industrial production inched forward. In August, production was up 0.6 percent from year-earlier levels, but it remained about 1.8 percent below the peak reached in September 1990. Another indication that the economy is operating below its potential: industrial capacity use averaged less than 80 percent in the third quarter of 1992, compared with more than 84 percent during 1989.

Low private-sector job growth has contributed to modest consumer income gains. Excluding government transfer payments, personal income adjusted for inflation has stagnated this year, following sharp declines in 1991. At the same time, falling interest rates have reduced consumer interest income significantly in 1992, further slowing overall income growth. Low income growth and limited job prospects have prevented a sustained improvement in consumer confidence, which after rising in the spring, slipped back in the third quarter. These income and consumer confidence trends, along with marginal job increases and consumer preferences to reduce debt rather than spend, are likely to dampen consumer spending through the remainder of the year.

Slow overall economic growth, high unemployment rates, and low capacity use have helped to keep inflation under wraps. Consumer prices in the third quarter of 1992 were slightly more than 3 percent above the third quarter of 1991, well below increases of 4.2 percent during 1991 and 5.4 percent during 1990. Low wage growth is keeping a lid on price increases. Hourly wage rates were down slightly in real terms in the year ending in August 1992, and unit labor costs were up 0.7 percent from the second quarter of 1991 through the second quarter of 1992. Sluggish wage growth, which has failed to keep up with inflation, is also partly responsible for low consumer income growth.

The weak economy, low inflation, and a monetary policy aimed at stimulating the economy contributed to falling interest rates. In September, rates on 3-month Treasury bills fell below 3 percent, the lowest in nearly 30 years. Longer term rates also fell; 30-year bond yields reached 6-year lows. Falling U.S. interest rates, especially compared with German rates, have led to a decline in the foreign exchange value of the dollar. On a trade-weighted basis, the exchange rate fell more than 7 percent during the third quarter. Analysts expect that low interest rates and a lower exchange rate will eventually help the economy grow faster.

### Slow Growth Abroad Contributes to Sluggish U.S. Growth

Strong export growth helped to moderate the severity of the recession in late 1990 and 1991. But export growth has substantially slowed. In the first half of 1992, real exports grew at an annual rate of 4.4 percent, compared with 7-percent annual growth during 1990-91. Slow export growth is at least partially due to sluggish growth of three of our major trading partners: Germany, Japan, and Canada.

In Germany, high interest rates, imposed to curb inflation brought on by high government borrowing to finance reunification, are the primary cause for slow growth. Real GDP fell 0.3 percent in the second quarter of 1992. The unemployment rate averaged about 8 percent in 1991 and is expected to rise above 10 percent in 1992 and 1993. Private forecasters expect the German economy to grow only 1.4 percent in 1992 and 2 percent in 1993, well below the nearly 4-percent annual growth from 1988 to 1990.

The Japanese economy has been growing relatively slowly since the Government raised interest rates to curb speculation in real estate and the stock market. Although interest rates have fallen substantially in Japan, the stock market has yet to recover from the sharp drops during the spring of this year. Private forecasters predict Japan's real GDP will grow only 2.1 percent in 1992, compared with growth of more than 5 percent a year from 1987 through 1990.

The single largest foreign market for U.S. exports is Canada, where business cycle movements have closely matched U.S. cycles. Canada's recession began in the spring of 1990, slightly before the U.S. recession, and growth remains weak. Real GDP was 0.6 percent above year-earlier levels in the second quarter of 1992 and the unemployment rate was near 12 percent.

**Private forecasters are predicting continued sluggishness in Canada with real GDP growing about 1.6 percent in 1992, but rising to 3.2 percent in 1993.**

### Mexico a Bright Spot

In contrast to most other major trading partners' sluggishness, strong growth in Mexico, the third largest market for U.S. exports, has continued to support U.S. growth. Largely as a result of economic reforms, including privatization, tax reform, and trade liberalization, real GDP growth averaged nearly 4 percent each year during the past 3 years. In comparison, Mexico's GDP growth averaged 1 percent from 1981 to 1988. U.S. merchandise exports to Mexico have nearly doubled since 1988. Private forecasters expect Mexico's growth to accelerate over the next 18 months, providing even better market conditions for U.S. products.

### The Outlook: Some Improvement in 1993

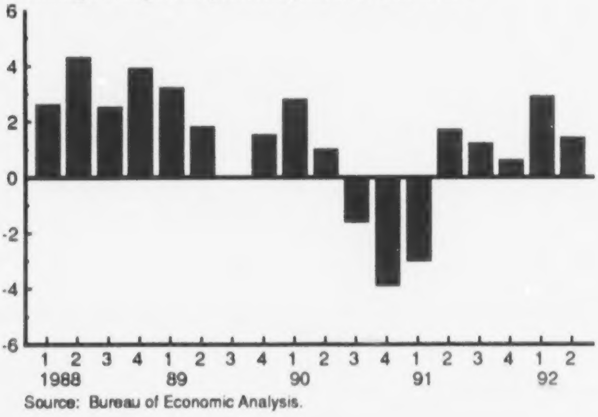
The U.S. economy will grow slowly through the rest of 1992, but will gather strength in 1993, according to most private forecasters. A survey of forecasters conducted by the Federal Reserve Bank of Philadelphia suggests real GDP growth will average 1.8 percent in 1992, but rise to 2.5 percent in 1993. Faster growth will help to reduce the unemployment rate, which the survey respondents project to be about half a percentage point lower in 1993 than 1992. Inflation should remain relatively low in 1993; consumer prices are projected to rise less than 3.5 percent.

In sum, analysts are predicting that growth will improve in 1993 and that much of the improvement will be generated by low interest rates and, to a lesser extent, by increasing export demand. However, analysts made similar growth forecasts for 1991 and 1992, and so far the recovery has been unusually slow and unable to sustain any momentum when it appeared. The U.S. presidential election and its potential implications for fiscal policy, as well as developments overseas, are adding more than the usual amount of uncertainty to analysts' forecasts. *[Based on data available through September 15, 1992. Jennifer L. Beattie and R. M. Monaco, 202-219-0782]*

### Real GDP growth in the United States

**U.S. GDP growth remained sluggish in the second quarter of 1992**

*Percentage change from previous quarter, at annual rate*

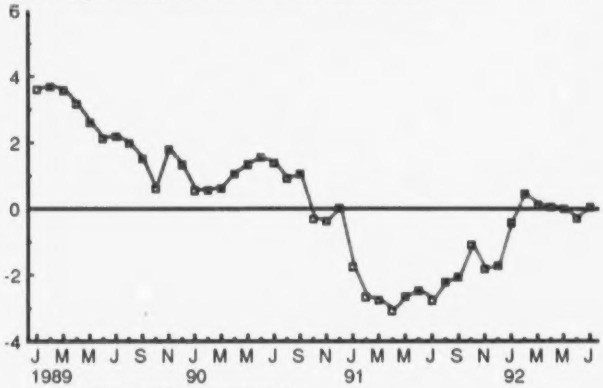


Source: Bureau of Economic Analysis.

### Real personal income, excluding government transfer payments

**The private sector is generating no income growth**

*Percentage change from same month a year earlier*



Source: Bureau of Economic Analysis.

### Share of U.S. merchandise trade exports

**Four important trading partners account for about 45 percent of U.S. merchandise trade**

| Country | 1985 | 1991 |
|---|---|---|
| | *Percent* | |
| Canada | 25.7 | 20.4 |
| Japan | 10.3 | 11.4 |
| Mexico | 6.2 | 8.0 |
| Germany | 4.1 | 5.0 |

Source: Bureau of Economic Analysis.

# Rural Employment Up Slightly

*Rural employment moved up slightly in the second quarter of 1992 for the third consecutive quarter of growth. The employment gains, however, have been small and have just kept pace with the rising labor force.*

Rural employment increased by 0.5 percent in the second quarter of 1992, according to seasonally adjusted data from the Current Population Survey (CPS). This increase means 131,000 more employed workers than in the first quarter of 1992. Urban employment, however, remained essentially unchanged in the second quarter of 1992, increasing nominally by 0.1 percent over the first quarter.

Seasonally adjusted county-level data from the Bureau of Labor Statistics (BLS) show rural employment increasing by 0.2 percent in the second quarter of 1992. BLS estimates show urban employment also increasing by 0.2 percent in the same period. BLS and CPS employment estimates generally show the same patterns of employment change but at slightly different levels. ERS generally prefers CPS employment estimates because they are from a nationally representative sample. However, BLS county-level data offer geographic detail not available from the CPS data.

### Rural Areas Account for Half of Small U.S. Employment Gains

Although rural areas contained only 21 percent of total U.S. employment, they accounted for a little more than half of total employment growth between the first and second quarters of 1992. Rural employment levels increased by 131,000 workers compared with a rise of 129,000 employed workers in urban areas between the first halves of 1991 and 1992. In a good quarter, total U.S. employment will increase by about 750,000 workers. Although rural areas appear to be doing better than urban areas, the small employment increase for the Nation is an indication of a generally sluggish economy. Rural employment growth will probably not strengthen as long as national economic growth remains at such a low level.

### Rural Employment Increase Matches Labor Force Growth

Rural employment growth was able to keep pace with labor force growth at 1.1 percent between the first halves of 1991 and 1992. Urban employment grew by 0.2 percent while the labor force increased by 1.2 percent in that period. Rural unemployment rates should remain steady as long as employment growth matches labor force expansion. Faster job creation will be needed, however, to reduce unemployment to its prerecessionary level.

### Employment Drops Among Younger Workers

Rural employment dropped by 1.1 percent for workers aged 16-24 and 1.4 percent for those aged 24-34 between the first halves of 1991 and 1992. Employment increased 3 percent among rural workers between the ages of 35 and 54 and 1.9 percent for those 55 and over, in the same period. Younger workers are often more likely to lose their jobs in a downturn because they generally have less seniority. Also, unemployed younger workers may have more difficulty finding a job because of their lack of work experience.

Employment for rural women increased by 1.5 percent compared with a smaller increase of 0.7 percent for men, between the first halves of 1991 and 1992. National employment data show that men are more likely than women to be in the industries most affected by the current slowdown. Men are more concentrated in construction and manufacturing, while women more frequently work in service industries. Between 1991 and 1992, manufacturing employment dropped by 3.4 percent and construction by 7.8 percent, while employment in the service sector increased by 1.6 percent. *[Timothy S. Parker, 202-219-0541]*

## Employment change, 1988-92

**Second-quarter nonmetro employment growth exceeded metro**

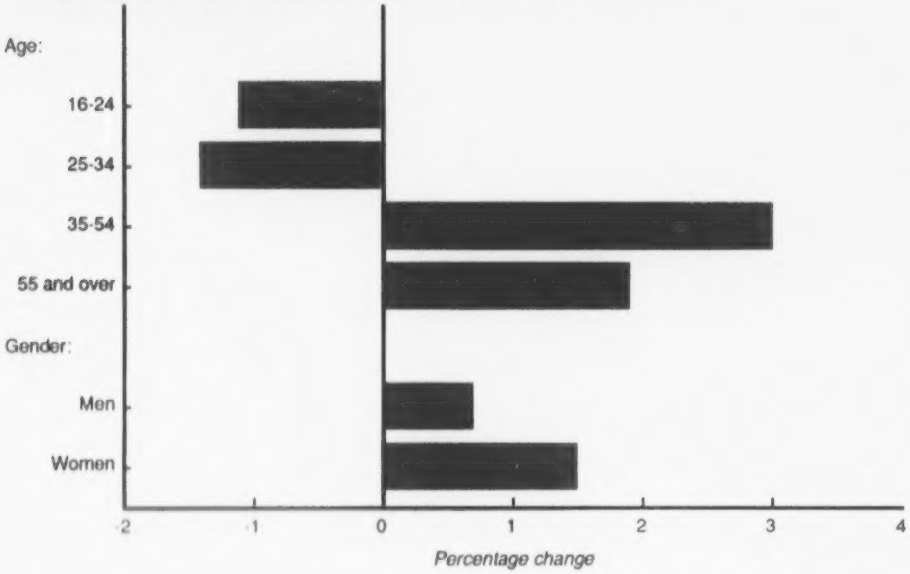
| Area | 1987-88 | 1988-89 | 1989-90 | 1990-91 | Q4 1991-Q1 1992[1] | Q1 1992-Q2 1992[1] |
|---|---|---|---|---|---|---|
| | | | *Percentage change* | | | |
| United States | 2.2 | 2.1 | 0.5 | -0.9 | 0.4 | 0.3 |
| Metro | 2.2 | 1.6 | .6 | -.8 | .4 | .1 |
| Nonmetro | 2.3 | 3.7 | .2 | -1.1 | .4 | .5 |

[1] Quarterly data seasonally adjusted by ERS.

Source: Current Population Survey.

## Nonmetro employment change, first-half 1991 to first-half 1992

**Younger workers were still losing jobs in the first half of 1992**



Source: Current Population Survey.

# Rural Unemployment Unchanged

*While rural unemployment remained essentially unchanged at about 7.1 percent between the beginning of 1991 and mid-1992, urban unemployment climbed from 6.3 to 7.6 percent. The average length of time unemployed has steadily increased during the past 2 years.*

Rural unemployment remains at the relatively high level reached in early 1991, and an increasing share of the unemployed report long spells of joblessness. Both patterns suggest that jobs continue to be scarce in many rural areas. Fewer laid-off workers are being recalled to their prior jobs than was the case in earlier recoveries.

The rural unemployment rate in the second quarter was unchanged from the first quarter at 7.1 percent, according to seasonally adjusted Current Population Survey (CPS) data. Urban unemployment increased from 7.3 to 7.6 percent between the first and second quarters. The urban unemployment rate has been a little higher than the rural rate since the beginning of 1992. The rural rate had been consistently higher than the urban rate between 1980 and 1991.

Official unemployment rates may understate the full extent of employment difficulties because they omit individuals who want a job but have given up looking for work (discouraged workers) and those forced to accept part-time work. The second-quarter adjusted unemployment rate was 10.9 percent in rural areas, not statistically different from the 11.0 percent rate in the first quarter. That rate includes discouraged workers and half of those who work part time but want to work full time. The adjusted unemployment rate for urban workers rose slightly in the second quarter to 10.7 percent from 10.5 percent.

### Unemployment Highest for Young Workers, Men, and Minorities

In the first half of 1992, the rural unemployment rate for 16- to 24-year-olds was 15.7 percent compared with 8.1 percent for workers 25 to 34, 5.5 percent for workers 35 to 64, and just 2.6 percent for workers 65 and older. The unemployment rate for rural men was moderately higher than for women (8.2 versus 6.9 percent), and minorities continued to experience above-average unemployment. The 13.2-percent unemployment rate of rural Blacks was nearly twice the rate of all other racial groups (7.1 percent). The Hispanic unemployment rate was also high at 11.4 percent.

Young and minority workers are also more likely than other workers to settle for part-time work schedules, despite wanting full-time jobs, or to give up looking for work altogether in the belief that jobs cannot be found. Thus, adjusted unemployment rates for young workers and minorities are even higher relative to other groups than are their conventionally defined (official) unemployment rates.

The pattern differs for men and women. The official unemployment rate is higher for men, but the adjusted unemployment rate is higher for women. Women are significantly more likely than men to be involuntary part-time workers (7.2 versus 4.7 percent) and a little more likely to report that they are too discouraged to look for a job.

### Periods of Joblessness Lengthen

That the number of unemployed increases during a recession is well known; however, that the number of weeks a typical unemployed person requires to find a new job also increases may be less well known. A rise in the duration of unemployment provides a second indicator of labor market stress. Short periods of unemployment frequently may have relatively mild repercussions, but long unemployment spells are more likely to have severe economic and psychological consequences for workers and their families.

National data show that unemployment durations have recently increased. Twenty-two percent of the unemployed had been looking for work for 15 weeks or longer in June 1990 (just before the recession began). This long-duration share increased to 37 percent by June 1992. The share of the unemployed who had spent less than 5 weeks searching for a job fell from 47 percent to 36 percent over this 2-year period. This shift toward longer periods of unemployment caused the average length of joblessness to increase from 12 to 19 weeks.

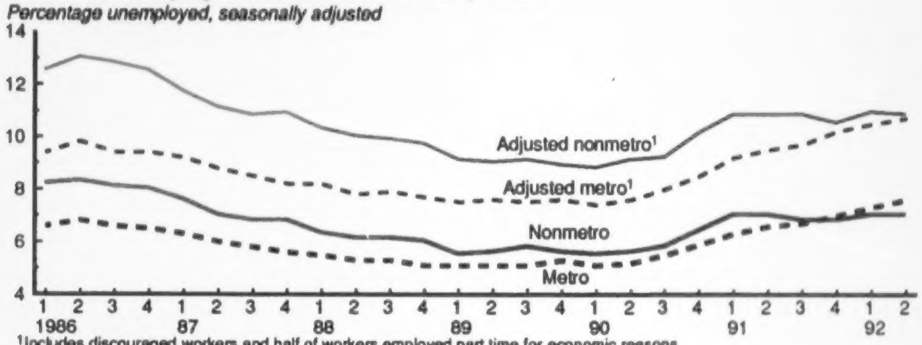
The Bureau of Labor Statistics does not publish duration of unemployment data for rural workers. But the fact that high levels of unemployment have persisted in both rural and urban areas suggests that the time required to find a job has probably increased for unemployed workers in both areas. The increase in unemployment duration may have been somewhat smaller for rural workers, because hiring has been a little more buoyant in rural areas.

### Fewer Expect To Return to their Prior Jobs

Most of the workers laid-off during the most recent recession appear to have permanently lost their prior jobs. Between July 1990 and June 1992, just 15 percent of the increase in the number of job losers represented temporary layoffs, following which the workers expected to be recalled to their prior jobs. The average for the four prior recessions was a much higher 44 percent. The more permanent nature of recent layoffs probably means that a higher proportion of the unemployed will need to change occupations to become reemployed. *[Paul Swaim, 202-219-0552]*

## Quarterly unemployment rates, 1986-92

**Nonmetro unemployment stable for last six quarters**

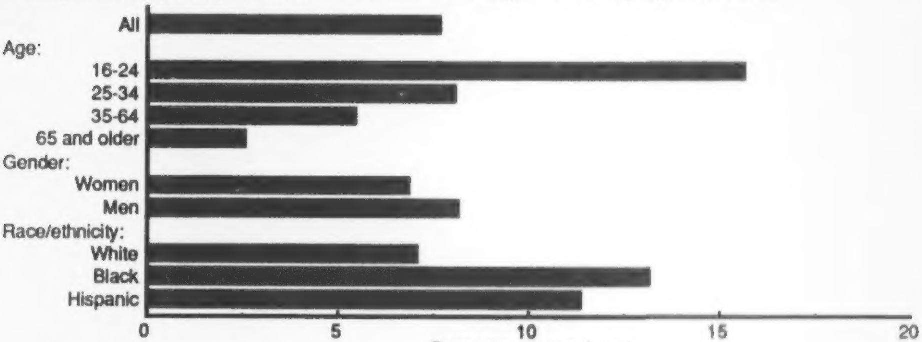


[1] Includes discouraged workers and half of workers employed part time for economic reasons.

Source: Current Population Survey.

## Nonmetro unemployment by demographic group, first-half 1992

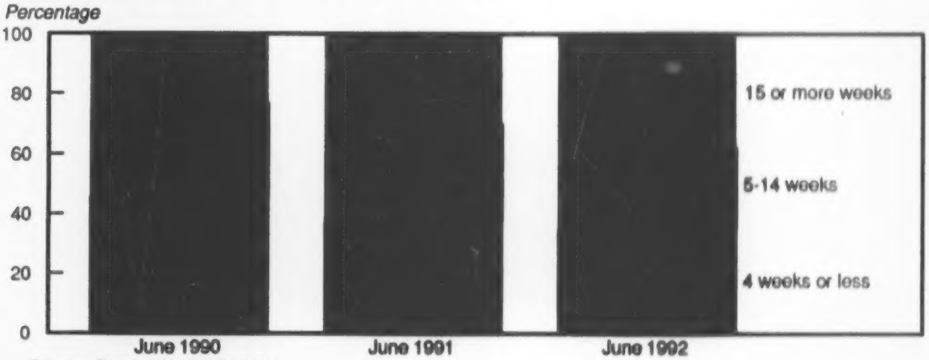
**Young workers, men, and minorities have the highest unemployment rates**



Source: Current Population Survey.

## Weeks spent unemployed, 1990-92

**The unemployed are taking longer to find new jobs**



Source: Bureau of Labor Statistics.

# Farm Entrepreneurs Had the Highest Nonmetro Income in 1990

*The income of nonmetro farm entrepreneurs averaged $19,710 in 1990, higher than the incomes of nonmetro nonfarm entrepreneurs and wage earners. Farm entrepreneurs whose income came primarily from off-farm sources had higher incomes than those who relied primarily on farm earnings.*

Farmers are usually the first to be thought of as nonmetro entrepreneurs, but they are not the only nonmetro people who organize, operate, and assume the responsibility for a business venture. About 3.8 million nonmetro people operated nonfarm businesses in 1990 and classified themselves as self-employed workers, almost three times the 1.3 million nonmetro farmers. Nonmetro wage and salary workers greatly outnumbered both farm (18 to 1) and nonfarm (6 to 1) entrepreneurs. See the definitions of farm and nonfarm entrepreneurs in the appendix.

### 1990 Was a Good Year for Farmers

The 1990 median income of nonmetro farm entrepreneurs was $19,710, significantly higher than the $16,110 of nonmetro nonfarm entrepreneurs. And both farm and nonfarm entrepreneurs had higher incomes than did nonmetro wage workers. These income comparisons are based on data from the recently released March 1991 Current Population Survey (CPS). The favorable income of nonmetro farmers in part reflects the record high 1990 net farm business income as reported in the farm sector income accounts of the Economic Research Service (ERS). However, ERS forecasts show lower net farm business income in 1991. When data from the March 1992 CPS become available later this year, they may show that the 1991 income of nonmetro farm entrepreneurs is not as high compared with other nonmetro incomes as it was in 1990.

### Sources of Farm Entrepreneurs' Income

Off-farm income has long played an important role in helping farm families improve their standard of living. The ERS farm sector income accounts show that farm families' off-farm income has exceeded their net farm business income in every year since 1973. This is because most farms are relatively small businesses, and earnings from a nonfarm job are the primary income source for many farm operators.

Analysis of the 1990 CPS data confirms the important role of off-farm income. In 1990, about half of nonmetro farm entrepreneurs reported that farm earnings provided 50 percent or less of their total income. These nonmetro farmers, whose primary source of earnings was not farming, reported the highest median income in nonmetro areas. While the median income of nonmetro farmers whose primary income source was farming was lower, it was comparable to the income of nonmetro nonfarm entrepreneurs.

Having sources of income other than from the self-employed business is not particularly unique to farmers. Thirty-two percent of nonfarm entrepreneurs also reported that their business earnings were not their primary income source. However, the multiple income strategy did not pay off as well for the nonfarm entrepreneurs as for the nonmetro farmers. There was no significant difference between the median income of nonfarm entrepreneurs whose primary income came from their business and those whose primary income came from other sources. *[Thomas A. Carlin, 202-219-0527]*

### Median income of nonmetro persons, 1990

**Nonmetro farm entrepreneurs are a small group, but they had the highest median income of all nonmetro earners**

| Occupation and source of earnings | Persons 15 years of age and older | | Median income |
|---|---|---|---|
| | *Thousands* | *Percent* | *Dollars* |
| All persons with earnings | 29,137 | 100.0 | 14,830 |
| Farm entrepreneurs | 1.305 | 4.5 | 19,710 |
| Primary[1] | 656 | 2.3 | 16,300 |
| Not primary | 649 | 2.2 | 22,730 |
| Nonfarm entrepreneurs | 3,790 | 13.0 | 16,110 |
| Primary[1] | 2,559 | 8.8 | 16,600 |
| Not primary | 1,231 | 4.2 | 15,160 |
| Wage and salary workers[2] | 24,042 | 82.5 | 14,450 |

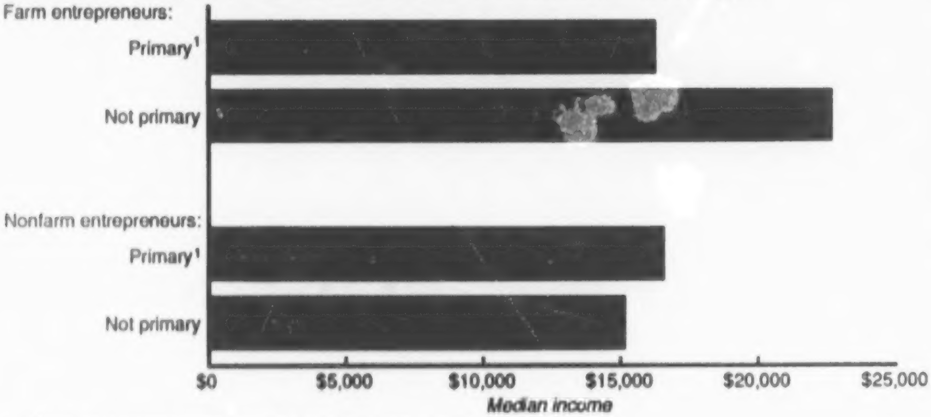
[1] Self-employment income accounts for more than 50 percent of total income.

[2] Persons whose only source of earnings is from wages and salaries.

Source: March 1991 Current Population Survey.

### Median income of nonmetro entrepreneurs, 1990

**Obtaining a majority of income from sources other than their self-employed businesses is a greater benefit to farmers than to nonfarm entrepreneurs**



[1] Self-employment income exceeds 50 percent of total income.

Source: March 1991 Current Population Survey.

# Hired Farmworkers Do Not Fare as Well as Other Nonmetro Workers

*Farmworkers' median weekly earnings in 1991 were lower and their employment was more seasonal than that of other workers. The relatively low education levels of hired farmworkers limited their access to higher paying, more stable jobs.*

An annual average of 472,000 persons in nonmetro areas were employed per week as hired farmworkers in 1991, according to data from the Current Population Survey (CPS) microdata earnings file. Hired farmworkers include persons who manage farms for employers on a paid basis (7 percent), supervisors of farmworkers (3 percent), nursery workers (2 percent), and farmworkers engaged in planting, cultivation, and harvesting crops or attending to livestock (88 percent). Although hired farmworkers are only 2 percent of all nonmetro wage and salary workers, they contribute necessary labor during critical agricultural production periods.

Hired farmworkers will continue to be important to U.S. agriculture in the future as large, labor-intensive farms grow in number. Commercial farms with value of sales exceeding $100,000 grew by 143,122 farms between 1974 and 1987, while smaller farms declined in number. Eighty-four percent of the larger farms used hired or contract labor during the year, accounting for 87 percent of all farm labor expenditures in 1987.

Hired farmwork historically has been considered a nonmetro occupation, but hired farmworkers are about as likely to live in metro as nonmetro areas. Many large fruit, vegetable, and horticultural specialty farms are located in the metro counties of California, Arizona, Washington, and Florida, and these labor-intensive farms employ large numbers of hired workers. However, hired farmworkers are still more likely to be located in nonmetro areas compared with other occupational groups. About 53 percent of hired farmworkers lived in nonmetro areas in 1991 compared with only 20 percent of all other wage and salary workers.

Compared with other nonmetro wage and salary workers, hired farmworkers are more likely to be young, male, and Hispanic. They also vary from other nonmetro workers in terms of education level, weekly earnings, and employment stability.

### Over Half Have Not Completed High School

Hired farmworkers generally had low levels of education compared with all wage and salary workers. Over half (51 percent) of hired farmworkers in 1991 had not completed high school compared with only 19 percent of all nonmetro workers. Only 14 percent of hired farmworkers had some college experience compared with 35 percent of all nonmetro wage and salary workers. Most hired farm activities, unlike many other occupations, do not require formal education or previous work experience. However, some jobs, such as farm managers and supervisors, may require higher levels of education.

### Hired Farmworkers Receive Lower Earnings

Hired farmworkers earned significantly less than most other nonmetro wage and salary workers. The median weekly earnings of full-time hired farmworkers was $242 in 1991, only 67 percent of the median $360 earned by all wage and salary workers. Hired farmworkers ranked 12th among 14 major occupational groups, with only private household service workers and other service workers (including such groups as janitors, kitchen workers, and ushers) earning less.

The weekly earnings of hired farmworkers varied across demographic groups. Both Whites ($250) and Hispanics ($239) had median earnings greater than Blacks ($180). Workers age 25-44 ($250) had higher median earnings than younger workers age 15-24 ($207) and older workers age 45 and older ($216). Higher education was associated with higher weekly earnings. Workers with college experience had greater weekly earnings ($300) than workers who had completed high school ($242) and those who did not graduate from high school ($225).

### Farm Employment More Sporadic

Because of the seasonal nature of agriculture, the number of hired farmworkers varies considerably from month to month. In most areas of the country, labor use on farms peaks during harvesting in the summer, while fewer workers are employed during the winter. In areas such as Florida, however, winter is the peak labor-use season when crops, such as citrus fruits, sugarcane, and many vegetables, are harvested. As a result, few hired farmworkers have year-round farm jobs. In 1991, the number of nonmetro hired farmworkers employed in July was over 2.5 times the number employed in December. In contrast, overall wage and salary employment shows little monthly variation.

**Because of low earnings and unstable, short-term employment, many hired farmworkers seek nonfarm jobs to increase their incomes. However, because they have low education levels and few labor market skills, hired farmworkers are generally unable to compete for higher wage jobs. Thus, low earnings in both farm and nonfarm jobs make hired farmworkers one of the more economically disadvantaged occupational groups in the nonmetro United States.** ***[Victor Oliveira and Leslie Whitener, 202-219-0033]***

### Education levels of nonmetro wage and salary workers, 1991

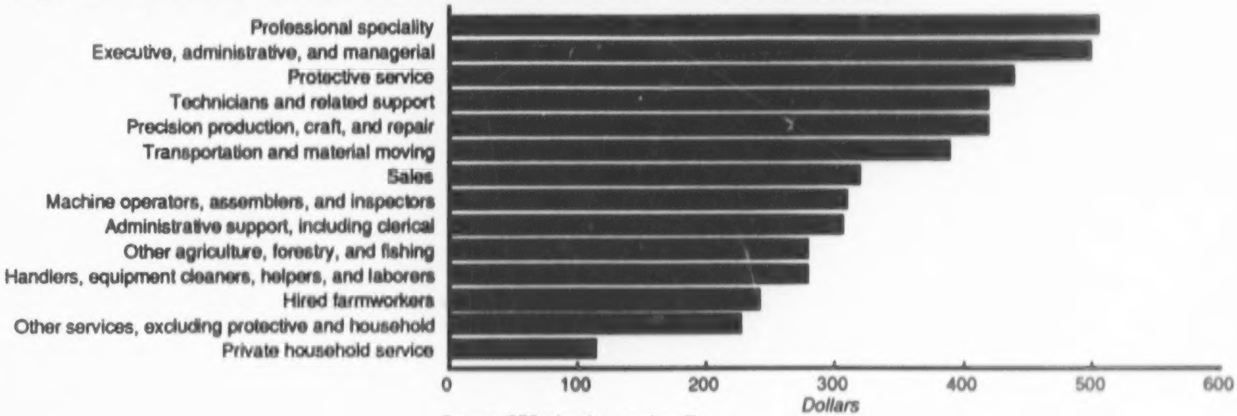
**Over half of all hired farmworkers have not completed high school**

| Characteristic | Nonmetro hired farmworkers | All nonmetro wage and salary workers |
|---|---|---|
| | *Thousands* | |
| Number of workers | 472 | 20,887 |
| | *Percent* | |
| Education completed: | | |
| Less than high school | 51.1 | 18.6 |
| High school | 34.5 | 46.6 |
| Some college | 14.4 | 34.8 |
| | *Years* | |
| Median level completed | 11 | 12 |

Source: CPS microdata earnings file.

### Median weekly earnings of nonmetro full-time wage and salary workers, 1991

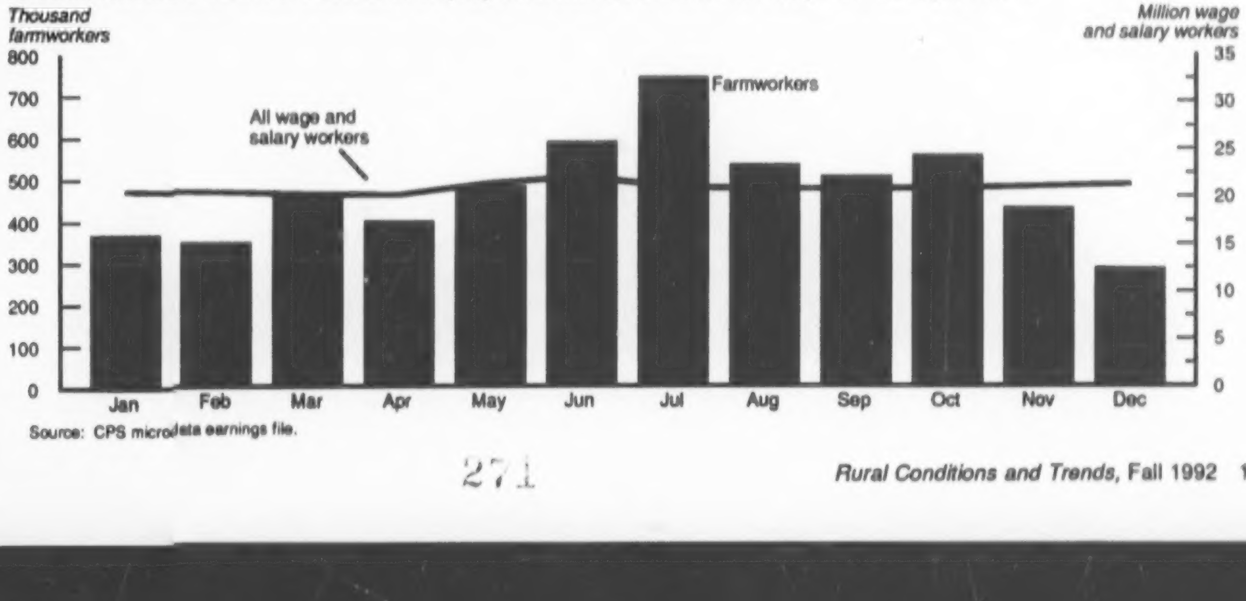
**Only private household and other service workers earned less than hired farmworkers**



Source: CPS microdata earnings file.

### Employment of nonmetro workers by month, 1991

**Hired farmworkers face more seasonal employment than other nonmetro wage and salary workers**



Source: CPS microdata earnings file.

# Appendix: Data Sources and Definitions

## Data Sources

**Macroeconomic conditions:** The economic indicators used to monitor macroeconomic changes in the U.S. economy are derived from Federal sources. Measures of inflation, including the Consumer and Producer Price Indexes, and employment and unemployment data are developed by the U.S. Department of Labor's Bureau of Labor Statistics (BLS). National income and product account information on capital investment, gross domestic product, and net exports is produced by the Bureau of Economic Analysis (BEA), U.S. Department of Commerce. Information relating to monetary policy, including changes in interest rates and foreign exchange rates, and data on industrial production are furnished by the Federal Reserve Board of Governors.

**Nonmetro conditions:** The nonmetro employment, unemployment, farm entrepreneur, and farmworkers data presented in this issue come from various Current Population Survey (CPS) files. The monthly CPS, conducted by the Bureau of the Census for the U.S. Department of Labor, provides detailed information on the labor force, employment, unemployment, and demographic characteristics of the metro and nonmetro populations. CPS derives estimates based on a national sample of about 60,000 households that are representative of the U.S. civilian noninstitutional population 16 years of age and over. Labor force information is based on respondents' activity during 1 week each month. First half 1992 employment and unemployment numbers presented in this issue are averages of the January through June CPS monthly surveys, and second quarter numbers are averages of the April through June surveys.

The 1990 income of farm entrepreneurs reported in this issue was calculated from the March 1991 CPS. Every year the March CPS includes supplemental questions on sources and amounts of income received during the previous calendar year. Each person 15 years of age and older is asked these questions.

The hired farmworker data presented in this issue were calculated from the CPS earnings microdata file for 1991. Each month workers in about a quarter of the CPS households are asked additional questions on hours worked and earnings for the week including the 12th of the month. The microdata file consists of all records from the 12 monthly quarter-samples conducted in 1991. This sample of records was expanded to represent the entire work force. Annual averages were computed by summing the estimates for each month and dividing by 12.

County-level employment data from BLS's Local Area Unemployment Statistics files are compared with CPS data in the "Employment" section. These BLS estimates are based on unemployment insurance claims and State surveys of establishment payrolls which are then benchmarked to State totals from the CPS. Thus, at the national and State levels, BLS and CPS estimates are the same. The BLS data series provides monthly estimates of labor force, employment, and unemployment for individual counties.

The CPS and BLS data sets each have advantages and disadvantages. CPS furnishes detailed employment, unemployment, and demographic data for metro and nonmetro portions of the Nation. BLS provides less detailed data than the CPS, but offers very current county-level employment and unemployment information. While these data sources are likely to differ somewhat in their estimates of nonmetro employment conditions at any point in time, they generally indicate similar trends.

## Definitions

Throughout ***Rural Conditions and Trends***, we use "rural" and "nonmetro" interchangeably. The same holds for "urban" and "metro." However, in tables we use "nonmetro" and "metro," the original and more accurate terms used in the data sources.

**Adjusted unemployment rate:** The number of unemployed people, discouraged workers who have given up looking for work, and half of the workers who work part time but want full-time work as a percentage of the civilian labor force plus discouraged workers.

**Civilian labor force:** Noninstitutional civilians aged 16 or older who are either employed or unemployed. Individuals who are neither employed nor unemployed are out of the labor force.

**Consumer Price Index (CPI):** A measure of the average price level of a basket of consumer goods and services at the retail level for a specific period compared against a benchmark period.

**Farm entrepreneurs:** Persons who reported farm operator or manager as the occupation at which they spent the most time during the year or who reported having received self-employment income from a farm business during the year. Includes those whose farms are incorporated.

**Foreign exchange rate:** The rate at which one currency is traded for another. The Federal Reserve publishes a measure of the overall foreign exchange rate of the U.S. dollar based on the rates of the 10 major U.S. trading partners.

**Gross domestic product (GDP):** The value of final output produced by people, government, and firms in the United States, whether they are U.S. or foreign citizens, or U.S.- or foreign-owned firms. Output of U.S. citizens or firms located outside the United States is not included. This statistic is reported quarterly but is revised in each of the 2 months following the initial release. Nominal GDP measures final goods and services at current prices. Real GDP measures final goods and services at 1987 prices to adjust for inflation.

**Hired farmworkers:** Persons aged 15 and older who did farmwork for cash wages or salary. Includes persons who manage farms for employers on a paid basis, supervisors of farmworkers, and general farm and nursery workers.

**Inflation rate:** The percentage change in a measure of the average price level. Changes are reported on a monthly basis and are stated as annual rates for longer term comparisons. The two major measures of the average price level are the Consumer and Producer Price Indexes.

**Labor force participation rate:** The civilian labor force as a percentage of the civilian noninstitutional population 16 and older.

**Metro areas:** Metropolitan Statistical Areas (MSA's), as defined by the Office of Management and Budget, include core counties containing a city of 50,000 or more people and a total area population of at least 100,000. Additional contiguous counties are included in the MSA if they are economically and socially integrated with the core county. Throughout this publication, "urban" and "metro" have been used interchangeably to refer to people and places within MSA's.

**Nonfarm entrepreneurs:** Persons who classified themselves as running a nonfarm business in the job at which they spent the most time last year or who reported having received self-employment income from a nonfarm business during the year. Includes those whose businesses were incorporated.

**Nonmetro areas:** Counties outside metro area boundaries. Throughout this publication, "rural" and "nonmetro" are used interchangeably to refer to people and places outside of MSA's.

**Producer Price Index:** A measure of the average price received by producers of finished goods at the wholesale level during a specific period compared against a benchmark period.

**Unemployment rate:** The number of unemployed people 16 years and older as a percentage of the civilian labor force 16 years and older.

## Appendix table 1—Nonmetro employment: Quarterly and annual averages

| Year/ quarter | Population 16+ | Labor force | Labor force participation | Employed | Employment-population ratio | Unemployed | Unemployment rate | Adjusted unemployment rate[1] |
|---|---|---|---|---|---|---|---|---|
| | *Thousands* | | *Percent* | *Thousands* | *Percent* | *Thousands* | *Percent* | |
| 1992: | | | | | | | | |
| 2nd | 42,322 | 26,939 | 63.7 | 25,047 | 59.2 | 1,893 | 7.0 | 10.7 |
| 1st | 42,114 | 26,232 | 62.3 | 24,052 | 57.1 | 2,179 | 8.3 | 12.4 |
| 1991: | | | | | | | | |
| 4th | 42,328 | 26,442 | 62.5 | 24,745 | 58.5 | 1,697 | 6.4 | 10.1 |
| 3rd | 41,904 | 26,364 | 62.9 | 24,683 | 58.9 | 1,681 | 6.4 | 10.3 |
| 2nd | 42,017 | 26,529 | 63.1 | 24,673 | 58.7 | 1,856 | 7.0 | 10.7 |
| 1st | 42,073 | 26,049 | 61.9 | 23,898 | 56.8 | 2,151 | 8.3 | 12.3 |
| 1990: | | | | | | | | |
| 4th | 42,106 | 26,361 | 62.6 | 24,776 | 58.8 | 1,585 | 6.0 | 9.7 |
| 3rd | 42,079 | 26,607 | 63.2 | 25,158 | 59.8 | 1,450 | 5.4 | 8.8 |
| 2nd | 41,774 | 26,417 | 63.2 | 24,934 | 59.7 | 1,483 | 5.6 | 8.9 |
| 1st | 41,660 | 25,893 | 62.2 | 24,196 | 58.1 | 1,697 | 6.6 | 10.0 |
| 1989: | | | | | | | | |
| 4th | 41,646 | 26,168 | 62.8 | 24,778 | 59.9 | 1,390 | 5.3 | 8.6 |
| 3rd | 41,755 | 26,783 | 64.1 | 25,323 | 60.6 | 1,459 | 5.4 | 8.7 |
| 2nd | 41,588 | 26,389 | 63.5 | 24,919 | 59.9 | 1,470 | 5.6 | 8.9 |
| 1st | 40,912 | 25,441 | 62.2 | 23,807 | 58.2 | 1,634 | 6.4 | 10.2 |
| 1988: | | | | | | | | |
| 4th | 40,629 | 25,510 | 62.8 | 24,024 | 59.2 | 1,469 | 5.8 | 9.4 |
| 3rd | 40,812 | 25,793 | 63.2 | 24,294 | 59.5 | 1,499 | 5.8 | 9.6 |
| 2nd | 40,877 | 25,513 | 62.4 | 23,978 | 58.7 | 1,535 | 6.0 | 9.8 |
| 1st | 40,522 | 24,819 | 61.2 | 22,996 | 56.7 | 1,823 | 7.3 | 11.6 |
| 1987: | | | | | | | | |
| 4th | 40,280 | 25,087 | 62.3 | 23,449 | 58.2 | 1,638 | 6.5 | 10.6 |
| 3rd | 40,214 | 25,277 | 62.9 | 23,634 | 58.8 | 1,643 | 6.5 | 10.5 |
| 2nd | 40,497 | 25,186 | 62.2 | 23,437 | 57.9 | 1,749 | 6.9 | 10.9 |
| 1st | 40,745 | 24,856 | 61.0 | 22,688 | 55.7 | 2,167 | 8.7 | 13.1 |
| 1991 | 42,080 | 26,346 | 62.6 | 24,500 | 58.2 | 1,846 | 7.0 | 10.8 |
| 1990 | 41,905 | 26,319 | 62.8 | 24,766 | 59.1 | 1,554 | 5.9 | 9.4 |
| 1989 | 41,482 | 26,209 | 63.2 | 24,718 | 59.6 | 1,491 | 5.7 | 9.1 |
| 1988 | 40,710 | 25,409 | 62.4 | 23,827 | 58.5 | 1,582 | 6.2 | 10.1 |
| 1987 | 40,434 | 25,101 | 62.1 | 23,302 | 57.6 | 1,799 | 7.2 | 11.3 |
| 1986 | 40,646 | 25,171 | 61.9 | 23,091 | 56.8 | 2,080 | 8.3 | 12.8 |
| 1985 | 40,493 | 24,781 | 61.2 | 22,700 | 56.1 | 2,081 | 8.4 | 13.0 |
| 1984 | 55,946 | 34,725 | 62.1 | 31,930 | 57.1 | 2,796 | 8.1 | 12.2 |
| 1983 | 55,294 | 34,156 | 61.8 | 30,696 | 55.5 | 3,460 | 10.1 | 14.9 |
| 1982 | 54,727 | 33,740 | 61.7 | 30,335 | 55.4 | 3,405 | 10.1 | 14.9 |
| 1981 | 53,449 | 33,092 | 61.9 | 30,488 | 57.0 | 2,603 | 7.9 | 11.5 |
| 1980 | 52,706 | 32,512 | 61.7 | 30,150 | 57.2 | 2,362 | 7.3 | 10.7 |
| 1979 | 51,563 | 31,716 | 61.5 | 29,916 | 58.0 | 1,800 | 5.7 | 8.5 |

Note: Beginning in 1985, estimation procedures for the Current Population Survey are based on the 1980 Census. That change accounts for the large drop in the nonmetro population and labor force between 1984 and 1985. Quarterly data shown in this table are not seasonally adjusted, and, therefore, do not match seasonally adjusted numbers analyzed in the "Employment" and "Unemployment" articles.

[1] Unemployment rate adjusted to include discouraged workers and half of the workers employed part time for economic reasons.

Source: Current Population Survey.

## Appendix table 2—Metro employment: Quarterly and annual averages

| Year/ quarter | Population 16+ | Labor force | Labor force participation | Employed | Employment-population ratio | Unemployed | Unemployment rate | Adjusted unemployment rate[1] |
|---|---|---|---|---|---|---|---|---|
| | *Thousands* | | *Percent* | *Thousands* | *Percent* | *Thousands* | *Percent* | |
| 1992: | | | | | | | | |
| 2nd | 148,989 | 100,255 | 67.3 | 92,745 | 62.2 | 7,510 | 7.5 | 10.5 |
| 1st | 148,774 | 99,186 | 66.7 | 91,432 | 61.5 | 7,754 | 7.8 | 11.1 |
| 1991: | | | | | | | | |
| 4th | 148,121 | 98,915 | 66.8 | 92,327 | 62.3 | 6,589 | 6.7 | 9.8 |
| 3rd | 148,074 | 99,912 | 67.5 | 93,299 | 63.0 | 6,613 | 6.6 | 9.7 |
| 2nd | 147,506 | 99,017 | 67.1 | 92,522 | 62.7 | 6,496 | 6.6 | 9.4 |
| 1st | 147,039 | 97,984 | 66.6 | 91,362 | 62.1 | 6,622 | 6.8 | 9.7 |
| 1990: | | | | | | | | |
| 4th | 146,589 | 98,463 | 67.2 | 92,956 | 63.4 | 5,507 | 5.6 | 8.2 |
| 3rd | 146,187 | 99,290 | 67.9 | 93,872 | 64.2 | 5,417 | 5.5 | 8.0 |
| 2nd | 146,051 | 98,504 | 67.4 | 93,480 | 64.0 | 5,024 | 5.1 | 7.4 |
| 1st | 145,751 | 97,615 | 67.0 | 92,238 | 63.3 | 5,332 | 5.5 | 7.8 |
| 1989: | | | | | | | | |
| 4th | 145,371 | 98,191 | 67.5 | 93,242 | 64.1 | 4,949 | 5.0 | 7.3 |
| 3rd | 144,848 | 98,373 | 67.9 | 93,366 | 64.5 | 5,007 | 5.1 | 7.5 |
| 2nd | 144,589 | 97,391 | 67.4 | 92,449 | 63.9 | 4,942 | 5.1 | 7.5 |
| 1st | 144,861 | 96,633 | 66.7 | 91,411 | 63.1 | 5,223 | 5.4 | 7.9 |
| 1988: | | | | | | | | |
| 4th | 144,625 | 96,886 | 67.0 | 92,139 | 63.7 | 4,748 | 4.9 | 7.4 |
| 3rd | 144,028 | 97,249 | 67.5 | 92,132 | 64.0 | 5,117 | 5.3 | 8.0 |
| 2nd | 143,512 | 95,843 | 66.8 | 90,801 | 63.3 | 5,042 | 5.3 | 7.8 |
| 1st | 143,445 | 95,061 | 66.3 | 89,492 | 62.4 | 5,569 | 5.9 | 8.6 |
| 1987: | | | | | | | | |
| 4th | 143,187 | 95,433 | 66.6 | 90,347 | 63.1 | 5,086 | 5.3 | 7.9 |
| 3rd | 142,802 | 95,924 | 67.2 | 90,434 | 63.3 | 5,490 | 5.7 | 8.6 |
| 2nd | 142,030 | 94,546 | 66.6 | 88,869 | 62.6 | 5,677 | 6.0 | 8.7 |
| 1st | 141,257 | 93,152 | 65.9 | 86,904 | 61.5 | 6,249 | 6.7 | 9.6 |
| 1991 | 147,685 | 98,957 | 67.0 | 92,377 | 62.6 | 6,580 | 6.6 | 9.6 |
| 1990 | 146,144 | 98,468 | 67.4 | 93,148 | 63.7 | 5,320 | 5.4 | 7.9 |
| 1989 | 144,911 | 97,660 | 67.4 | 92,624 | 63.9 | 5,036 | 5.2 | 7.5 |
| 1988 | 143,903 | 96,260 | 66.9 | 91,141 | 63.3 | 5,119 | 5.3 | 7.9 |
| 1987 | 142,319 | 94,764 | 66.6 | 89,138 | 62.6 | 5,625 | 5.9 | 8.7 |
| 1986 | 139,941 | 92,665 | 66.2 | 86,508 | 61.8 | 6,157 | 6.6 | 9.5 |
| 1985 | 137,713 | 90,684 | 65.9 | 84,453 | 61.3 | 6,231 | 6.9 | 9.9 |
| 1984 | 120,437 | 78,819 | 65.4 | 73,076 | 60.7 | 5,743 | 7.3 | 10.4 |
| 1983 | 118,922 | 77,394 | 65.1 | 70,137 | 59.0 | 7,257 | 9.4 | 13.1 |
| 1982 | 117,544 | 76,465 | 65.1 | 69,192 | 58.9 | 7,273 | 9.5 | 13.1 |
| 1981 | 112,987 | 73,301 | 64.9 | 67,825 | 60.0 | 5,476 | 7.5 | 10.3 |
| 1980 | 111,438 | 72,207 | 64.8 | 67,120 | 60.2 | 5,087 | 7.0 | 9.5 |
| 1979 | 109,969 | 71,192 | 64.7 | 67,029 | 61.0 | 4,163 | 5.8 | 8.0 |

Note: Beginning in 1985, estimation procedures for the Current Population Survey are based on the 1980 Census. Quarterly data shown in this table are not seasonally adjusted, and, therefore, do not match seasonally adjusted numbers analyzed in the "Employment" and "Unemployment" articles.

[1] Unemployment rate adjusted to include discouraged workers and half of the workers employed part time for economic reasons.

Source: Current Population Survey.

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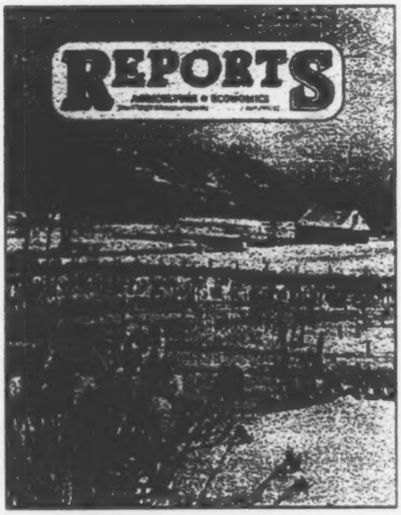

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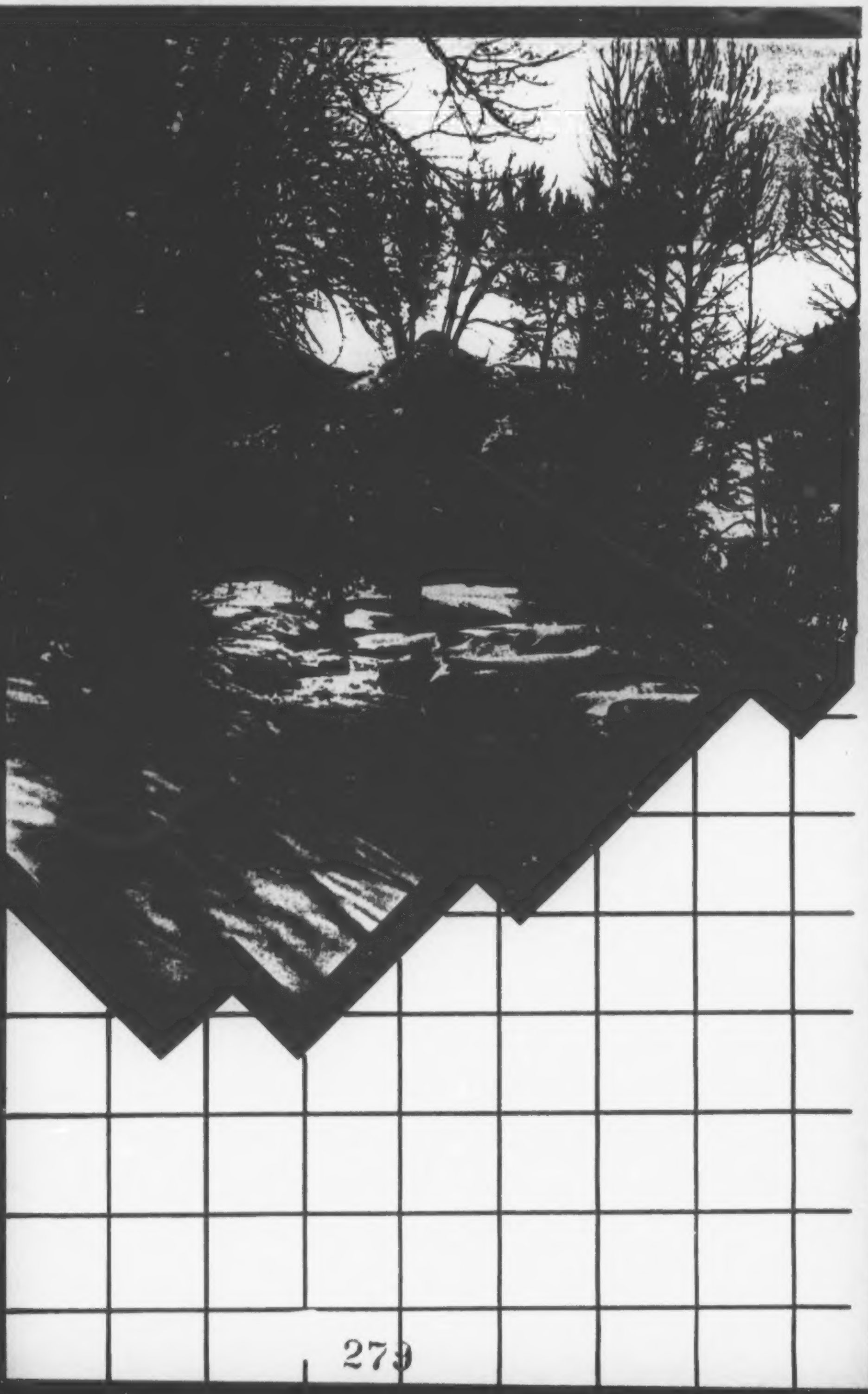
Consumer spending and confidence up

Rural employment recovering sooner than urban

*Special Articles*

Defense-dependent rural communities may face adjustment



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# National Economy Strengthens; Rural Employment Recovering Sooner than Urban

*Increased consumer spending during the third and early fourth quarters may presage more sustained growth in the national economy. Rural employment grew during the third quarter while urban employment remained about the same as in the second quarter. A special article on defense spending describes how cuts may affect rural and urban communities.*

Increases in consumer spending during the third and early fourth quarters of 1992 are signs of improving national economic conditions. The savings rate declined in the third quarter, indicating that some spending was funded out of savings rather than current income. However, personal income growth increased early in the fourth quarter, suggesting that spending may be sustainable even if consumers try to recoup their savings. The consumer confidence index rose 10 percentage points in November, another indicator that increased consumer spending could continue into 1993.

On the negative side, industrial production and manufacturing employment remain lower than their prerecession levels. And, continued sluggishness in the German and Japanese economies may keep U.S. exports from contributing to national growth in the near future.

Rural employment growth picked up in the third quarter of 1992. However, labor force growth accelerated even more, causing a small increase in the rural unemployment rate. Urban employment, labor force, and unemployment all remained essentially unchanged in the third quarter. The rebound of rural employment ahead of urban is the opposite of employment growth patterns following the previous recession in 1981-82, when urban employment recovered before rural employment.

The national unemployment rate fell slightly between September and November. The quarterly data we use to follow rural and urban unemployment rates are available through only the third quarter ending in September. How the national decline in unemployment is distributed between rural and urban areas will not be known until after fourth-quarter statistics are released in mid-January (after this issue went to press).

### Rural Effects of Defense Cuts

A special article in this issue describes the effects that cuts in defense spending might have on rural areas. The fiscal year 1993 budget called for reducing defense spending by 20 percent during 1992-97. Reductions include fewer purchases from private defense contractors and closing of military bases. Industries that contract with the Defense Department (such as tank, missile, aircraft, communications equipment, and scientific instrument manufacturers) are concentrated in urban areas, so decreases in defense purchases are expected to have a greater effect on the urban economy. On the other hand, some rural communities near military bases depend on retail sales to military personnel and on civilian jobs on the bases for a large share of employment. Those communities would be harder hit by a base closing than would larger urban communities with more diverse sources of employment. *[Linda M. Ghelfi, 202-219-0520]*

# Economy Getting End-of-Year Bounce

*Many statistics pointed to an improving economy in the third quarter and the early part of the fourth. Analysts are predicting the economy will grow moderately in 1993 with little change in inflation.*

Data for the third quarter and the early part of the fourth quarter suggest the economy is beginning to shake off the lethargy it has experienced since early 1989. Revised estimates show real gross domestic product (GDP) grew at an annual rate of 3.4 percent in the third quarter, a sharp upward revision from the earlier estimate of 2.7 percent and the highest growth rate since the fourth quarter of 1988. Although some of the third-quarter growth was due to rising inventories and a jump in government spending, neither of which is likely to be sustained, a 3.7-percent increase in consumer spending accounted for most of the GDP rise.

Whether the consumer spending increase will be sustained in the fourth quarter and beyond depends on many factors. For example, real consumer income did not grow in the third quarter, so consumers dug into their savings to spend. That pushed the savings rate down to 4.5 percent, from 5.3 percent in the second quarter. If consumers attempt to rebuild savings, even with modest income growth, the economy could sputter again early in 1993.

But, some early fourth-quarter indicators support the possibility that the third-quarter consumer spending gain may be maintained. Consumer confidence jumped more than 10 percentage points just after the presidential election and in early December reached its highest level since the spring of 1990, before the recession began. Retail sales rose 1.9 percent in October and 0.4 percent in November. Income appears to be picking up strength in the fourth quarter; personal income grew 1 percent in October, following a 0.5-percent increase in September.

### Labor Market Picture Slightly Brighter

Labor market indicators suggested little improvement in the third quarter, but signaled stronger gains in the fourth. From the second to the third quarter, employment was flat and the labor force rose slightly. As a result, the unemployment rate averaged 7.6 percent in the third quarter, compared with 7.5 percent in the second quarter. In the first 2 months of the fourth quarter, the unemployment rate averaged 7.3 percent. In November, employment and average weekly hours rose sharply. Analysts are counting on stronger employment gains in 1993 to boost personal income, which, in turn, would stimulate GDP growth.

### Manufacturing Still Sluggish

Industrial production has been lackluster. Production rose 0.4 percent in November, but it was only 1.5 percent above year-earlier levels. Further, production remained more than 0.5 percent below levels in July 1990 when the recession began. The recession and subsequent slow growth have generated considerable excess capacity. Capacity utilization was down 0.5 percent from November 1991 and was about 6 percentage points below July 1990. Employment also reflects weakness in manufacturing. In November, the number of manufacturing jobs was down by more than 200,000 from May and by more than 1 million from when the recession began.

### Interest Rates and Inflation Remain Low

Low inflation and relatively low interest rates in 1992 will probably contribute to faster economic growth in 1993. Consumer price inflation is running at an annual rate of just over 3 percent and producer-price inflation is less than 2 percent so far this year. Low inflation and the sluggish economy have kept short-term interest rates at their lowest levels in 30 years. Three-month Treasury bills averaged around 3.1 percent in the last half of 1992. Even though longer term interest rates have fallen in the last year, they remain high relative to short-term rates. Yields on 30-year Treasury bonds averaged about 7.5 percent in the second half of 1992, compared with 8.1 percent in 1991. Movements in longer term interest rates probably have more effect on private spending than movements in short-term rates: the slow pace of decline in long-term rates is partially responsible for the sluggish recovery.

### Improvement Expected, but Risks Remain

Real GDP will rise more than 2.5 percent in 1993, with little change in inflation, according to the Survey of Professional Forecasters conducted in November by the Federal Reserve Bank of Philadelphia. The unemployment rate will probably average about 0.3 percentage point below 1992, but reviving domestic credit demands will tend to raise interest rates somewhat. In 1993, the new administration may propose an investment tax credit and additional spending on infrastructure to try to stimulate the economy. However, defense spending will likely be cut further.

Foreign developments are not likely to support U.S. growth in 1993. Economic slowdowns in Japan and Germany, major U.S. trading partners, are clouding the prospects for growth in U.S. exports. Real GDP in Germany fell 0.5 percent in both the second and third quarters of 1992. Japan experienced two consecutive quarterly declines in GDP for the first time since 1974.

Foreign financial conditions are also likely to keep U.S. growth in check during the year. Many analysts believe that relatively high German interest rates helped keep U.S. interest rates, especially long-term rates, from falling more sharply in 1991 and 1992. The German central bank continues to be slow to reduce rates, for fear of igniting inflation. At the same time, German reunification efforts require significant amounts of longer term financial capital, which puts upward pressure on long-term interest rates worldwide.

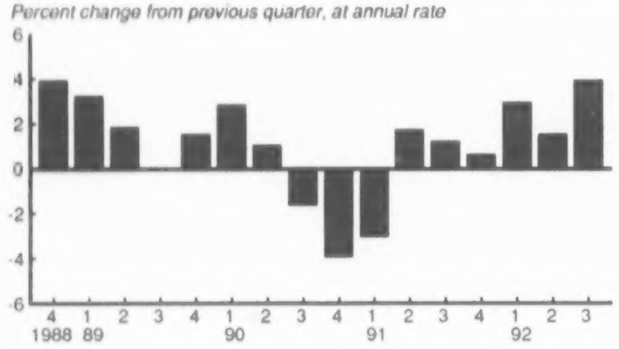
Modest increases in U.S. short-term interest rates, together with relatively steady German and Japanese rates, should lead to modest increases in the exchange value of the U.S. dollar, albeit from very low levels. The dollar has firmed since August and September when it reached post-World War II lows against the German mark. The exchange rate in November was 1.58 marks per dollar, up from 1.45 marks per dollar in September, but still well below the 1.88 average rate in 1989. The dollar has also gained slightly against the yen in recent months, moving up more than 2 percent in November. However, the current rate is still more than 10 percent below the average rate in 1989. Although the relatively low value of the dollar will help U.S. exports remain competitive, the effects of sluggish economic growth abroad are likely to keep export growth modest in 1993.

### What Does This Mean for Rural Areas?

If the modest expansion in employment and income is sustained, overall conditions in rural areas will also probably improve. Research has shown that declines in the national unemployment rate are generally matched by declines in rural unemployment rates. However, employment and production in rural areas tend to depend more on exports. Thus, the uncertain export outlook suggests that conditions may improve somewhat more slowly in rural areas than in the overall economy in the next year. *[Based on data available through December 22, 1992. Jennifer L. Beattie and R. M. Monaco, 202-219-0782]*

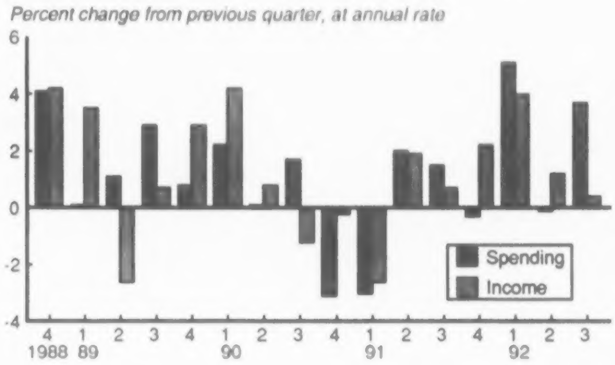
**Real GDP growth in the United States**

**Third-quarter GDP growth was the highest since late 1988**



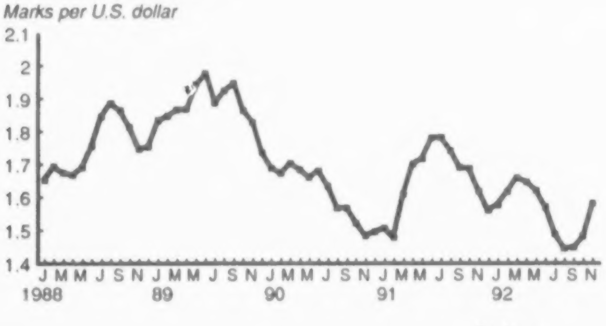
**Growth in real consumer spending and income**

**Consumer spending was brisk in the third quarter, but income was flat**



**U.S./German exchange rate**

**Dollar recently rose against the mark, but remains low by historical standards**



Data used in these three graphs are from the Bureau of Economic Analysis.

# Defense Cuts Pose Difficult Adjustment for Some Rural Communities

*Rural areas in general could be slightly less affected than urban areas by overall defense spending cuts, but individual communities near a closed base or defense-industry plant will be harder hit than corresponding urban areas.*

Reduced superpower tensions accompanying the breakup of the Soviet Union combined with a growing sense of unmet domestic needs have created a climate for reduced defense spending. Defense spending has been cut already, and more cuts are planned over the next several years. The current plan in effect is from the fiscal year 1993 budget, which calls for real defense outlays to be reduced by 20 percent during 1992-97. By 1997, defense outlays would constitute only 3.7 percent of gross domestic product (GDP), down from 5.6 percent in 1991 and 6.5 percent in 1986. There are indications that the new administration will be pursuing defense spending cuts at least as large.

Over the long term, defense cuts could benefit the U.S. economy through reduced real interest rates, if used to reduce the deficit. In the near term, however, reduced spending will necessitate restructuring, especially in manufacturing, and may produce unemployment.

### Immediate Effects of Defense Cutbacks

In the near term, defense cutbacks are expected to contribute to slower growth in the national economy as defense-sector jobs are lost and defense-manufacturing equipment is idled. Some analysts believe that defense cuts have already affected the economy by slowing the recent recovery. From 1990 to 1992, defense spending fell, reducing the defense share of GDP from 5.5 to about 5.0 percent.

The Congressional Budget Office (CBO) estimates that 1.1 million defense-related jobs will be lost by 1995: 360,000 military personnel, 130,000 Department of Defense (DoD) civilians, 400,000 private-sector employees in directly related defense jobs, and 200,000 private-sector employees in jobs that are indirectly related to defense. Because many of these workers will find new employment in other growing sectors, the net loss will be fewer than 1.1 million jobs.

There are also indirect income effects. As defense-industry jobs are lost, individuals will have less to spend, and their reduced spending will cause income and job losses elsewhere in the economy. One study estimates GDP losses from defense spending reductions are 2.5 times greater than the actual spending reduction; a $1 cut from defense spending leads to an additional $1.50 reduction in spending in the general economy over the year.

### Longer Term Effects: Defense Cutbacks and Interest Rates

The Budget Enforcement Act of 1990 sets out a schedule of Federal deficit reductions over 5 years, some of which will be accomplished through lower levels of defense spending. If the provisions of the act are followed, and the Federal deficit is reduced, the U.S. economy should benefit from the defense spending cuts by the late 1990's. The Federal deficit, now about $300 billion, could be reduced by a third by the end of the decade both by defense downsizing and lower interest payments on the slower growing debt.

Reducing the deficit will tend to put downward pressure on interest rates because the Federal Government will be reducing its demand for new credit. Lower interest rates could be realized even before the deficit is reduced, because investors incorporate the prospect of fiscal restraint and reduced deficits into their expectations. Lower interest rates will stimulate private investment, increasing U.S. productive capacity, and GDP and personal consumption will increase. Lower interest rates will also tend to reduce the value of the U.S. dollar, especially if the rates of return on foreign assets remain unchanged. As U.S. goods priced in other currencies become cheaper, and as U.S. productive capacity increases, the U.S. trade balance should improve. All-in-all, CBO estimates that reducing the share of GDP devoted to defense spending and applying the savings to reducing the deficit will produce higher GDP, increased productivity, greater consumption, and increased employment by the year 2000.

### Cutbacks Unevenly Affect Industries

The industries most affected by defense cuts will be those in defense-related manufacturing, such as tank, guided missile, ship, and aircraft manufacturers. Some industries that produce mainly for civilian purposes, such as the manufacture of communications equipment and engineering and scientific instruments, will also be affected. Because defense manufacturing is somewhat different from other manufacturing, these firms are not expected to easily adjust and convert to civilian production. Some defense suppliers, accustomed to dealing with only one customer, DoD, may have trouble adapting to the more competitive civilian market.

### Rural and Regional Effects

The expected defense cutbacks require a major restructuring that will affect both rural and urban areas. Military personnel are proportionately distributed between rural and urban areas, accounting for 2 percent of both rural and urban employment. DoD spends money in all 50 States. There are also defense industry subcontractors that are not easily identified. Some States are now conducting surveys to measure defense-related employment. The areas of the country that are expected to be most affected by cutbacks are New England, Middle Atlantic, Gulf Coast, and the Pacific States of California, Washington, Alaska, and Hawaii.

Although manufacturing is disproportionately located in rural areas, the defense plants that will be affected are typically in urban areas. Indeed, most of the employment in the defense industries is in urban areas. Employment in the 14 industries most heavily dependent on defense production constitutes 8 percent of urban manufacturing employment, but only 2 percent of rural manufacturing employment. Rural employment is consequently expected to be slightly less affected by the defense-related job loss over the mid-1990's.

Rural communities located near military bases scheduled for closure will likely be harder hit than urban areas where bases close, because rural economies tend to be less diversified and consequently more dependent on nearby bases. Base closings in rural counties have historically led to proportionately more job losses than closings in urban counties. Such rural counties also fared worse than rural counties without base closings in terms of employment, income, and population growth. To help mitigate these negative effects, DoD's Office of Economic Adjustment (OEA) provides assistance to communities adversely affected by changes in a defense program, such as a base closure. OEA arranges for the vacated base, including buildings and equipment, to be released to the community for redevelopment. Some rural counties have been successful at economic redevelopment by converting vacant bases to alternate uses, such as for schools, local government buildings, recreation areas, airports, or prisons. *[Karen S. Hamrick, 202-219-0782]*

### Most defense-dependent industries, 1990

**Rural defense employment tends to be in traditional, "low tech" industries**

| Industry | 1990 output: Total | 1990 output: Defense share | Nonmetro share of employment, 1989 |
|---|---|---|---|
| | *Billion dollars* | *--------Percent--------* | |
| Tank and tank components | 2.4 | 100 | 3.4 |
| Shipbuilding and repair | 12.3 | 99 | 15.4 |
| Complete guided missiles | 17.5 | 84 | 1.2 |
| Other ordnance and accessories | 2.9 | 51 | 2.5 |
| Explosives | 1.6 | 44 | 32.1 |
| Aircraft, missile engines | 34.5 | 43 | 9.5 |
| Communications equipment | 67.6 | 42 | 6.0 |
| Aircraft | 60.7 | 40 | 2.7 |
| Nonferrous forgings, n.e.c. | 1.7 | 35 | 16.2 |
| Aircraft, missile equipment | 45.3 | 27 | 5.1 |
| Small arms ammunition | 1.8 | 26 | 18.4 |
| Ammunition, except small arms | 7.3 | 24 | 21.8 |
| Small arms | 1.8 | 19 | 15.5 |
| Engineering and scientific instruments | 7.5 | 18 | 5.5 |

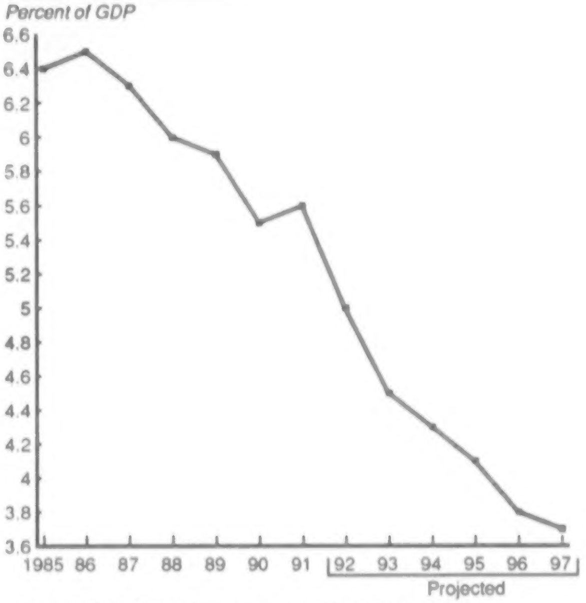
Note: Total output of the 14 industries was 5.4 percent of 1990 GDP. Total employment of the 14 industries was 1.9 percent of nonmetro manufacturing employment and 0.3 percent of total nonmetro employment.

n.e.c. = Not elsewhere classified.

Source: Congressional Budget Office and Census County Business Patterns (sector correspondence is not exact for some sectors).

### Defense spending's share of GDP, fiscal years 1985-97

**U.S. economy will restructure as national resources are shifted out of defense**



Source: Office of Management and Budget Mid-Session Review and ERS calculations.

# Rural Employment Rebounds, but Unevenly

*Rural employment has grown 3.1 percent since bottoming out in the third quarter of 1991. By contrast, urban employment was essentially unchanged over the same period. The rebound in rural employment was unevenly distributed across States.*

Rural employment growth accelerated in the third quarter of 1992, suggesting that recovery may finally be gaining momentum in rural areas. Rural labor force growth also accelerated, as is common when job prospects begin to improve after a recessionary period. As a result, increased hiring has yet to be reflected in a drop of the rural unemployment rate.

Rural employment grew by 1.1 percent in the third quarter of 1992, according to seasonally adjusted data from the Current Population Survey (CPS). This fourth consecutive quarterly increase in employment was significantly larger than the 0.4- and 0.5-percent increases in the first two quarters of the year. Rural employment grew by a total of 3.1 percent between its low point in the third quarter of 1991 and the third quarter of 1992.

The rebound of rural employment contrasts with the continued stagnation of urban employment. Seasonally adjusted CPS data indicate that urban employment remained essentially unchanged in the third quarter of 1992 and increased just 0.2 percent over the previous year, a change too small to be statistically significant. The stronger rebound of rural than of urban employment since late 1991 contrasts with the recovery period following the 1981-82 recession, when the urban job picture improved more rapidly than the rural.

Preliminary Bureau of Labor Statistics (BLS) county-level data also register a stronger rebound for rural than for urban employment. Rural employment was up 0.9 percent between the first halves of 1991 and 1992, the most recent period for which BLS data are available. During the same period, urban employment was estimated to have increased slightly, but, like the urban change estimated with CPS data, the increase was too small to be a reliable measure.

### Employment Gains Vary by County Economic Specialization

Although total rural employment rebounded during 1992, job gains were distributed unevenly across the Nation's rural counties. The differences in job growth partly reflect differences in the mix of economic activity in particular rural areas. To study such differences, the Economic Research Service has developed a classification system that identifies rural counties in which specific sectors play a prominent role in the local economy.

Between the first halves of 1991 and 1992, rural employment rose by 1.7 percent in retirement-destination counties. These counties are typically rich in natural amenities, such as lakes, forests, and sunshine, that also attract tourists. Retirement-destination counties were among the most economically dynamic rural areas during the 1980's and appear to be continuing to grow more rapidly than most other rural areas.

Intermediate employment gains of 0.9 and 0.8 percent were recorded by the groups of rural counties with concentrations in agriculture, manufacturing, and government. Mining-dependent counties had a weaker employment gain of just 0.4 percent. Although overall job gains were reported in manufacturing and mining-dependent counties, national data suggest that the recent employment rebound is concentrated in service industries and that fewer of the workers who lost factory and mining jobs are likely to be recalled than after previous recessions.

### Rural Job Growth Varies Across States

The 1992 rural employment rebound has been uneven across States. Rural employment change between the first halves of 1991 and 1992 ranged from a 3.5-percent rise in Delaware to a 3.3-percent fall in Rhode Island. State differences in rural job growth do not reveal consistent regional patterns: most regions contained both high- and low-growth States. The States with the strongest rural job growth were, in addition to Delaware, Wisconsin (3.4 percent), Arkansas (3.2 percent), Louisiana (3.1 percent), and California (3 percent). Louisiana and California are good examples of how strong job growth does not necessarily immediately translate into low unemployment rates. Rapid labor force growth overwhelmed employment gains during the last year in both States, causing initially high unemployment rates to rise further.

States experiencing significant losses in rural employment were also dispersed throughout the Nation. The largest employment losses were in Rhode Island (3.3 percent), North Dakota (2 percent), Mississippi (1.9 percent), New York (1.2 percent), and Oregon (1.1 percent). *[Paul Swaim, 202-219-0552]*

## Employment change, 1987-92

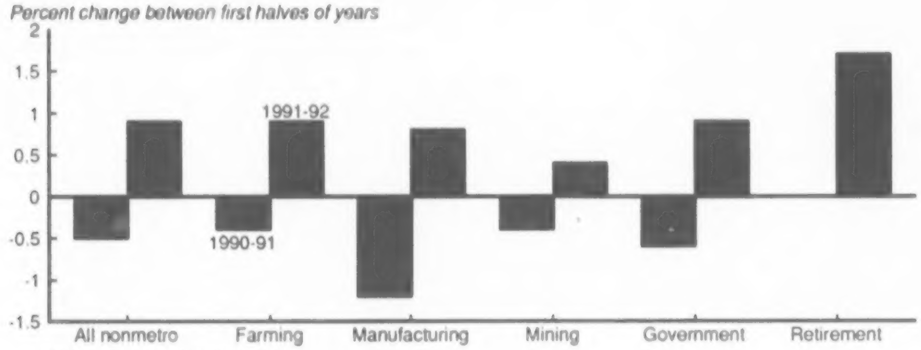
**1992 employment gains were more robust in nonmetro areas**

| Area | 1987-88 | 1988-89 | 1989-90 | 1990-91 | Q3 1991 to Q3 1992 |
|---|---|---|---|---|---|
| | | | *Percent change* | | |
| United States | 2.2 | 2.1 | 0.5 | -0.9 | 0.8 |
| Nonmetro | 2.3 | 3.7 | .2 | -1.1 | 3.1 |
| Metro | 2.2 | 1.6 | .6 | -.8 | .2 |

Source: Current Population Survey.

## Nonmetro employment change by county type, first half of each year 1990-92

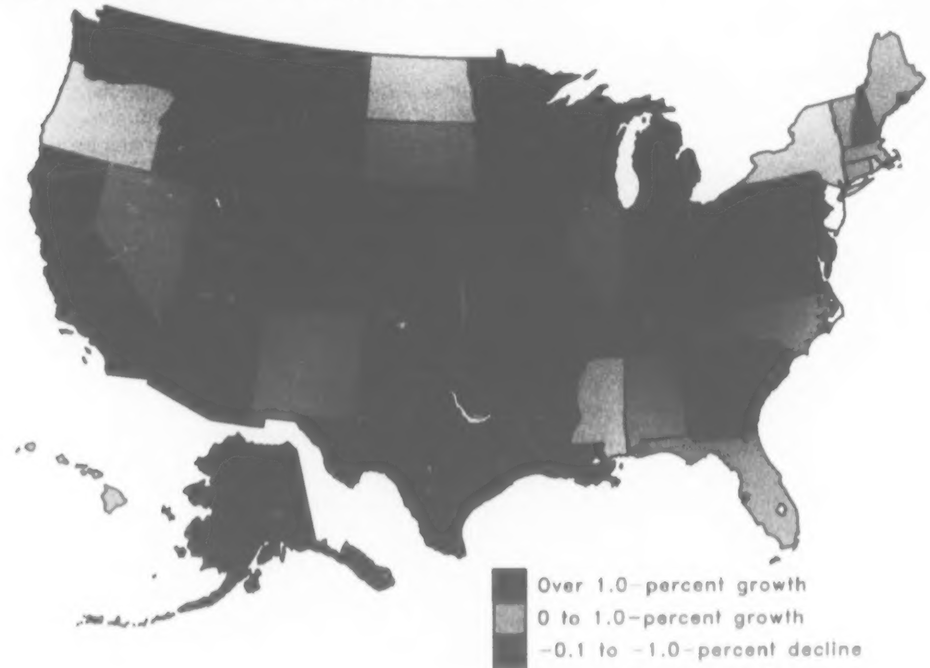
**Employment increased most in retirement-destination counties, the most robust group of nonmetro counties in recent years**



Source: Bureau of Labor Statistics.

## Nonmetro employment change, first half 1991 to first half 1992

**Employment gains showed no regional concentration**


Over 1.0-percent growth
0 to 1.0-percent growth
-0.1 to -1.0-percent decline
Over -1.0-percent decline
No nonmetro counties

Source: Bureau of Labor Statistics.

# Rural Unemployment Continues to Rise in the Third Quarter of 1992

*Unemployment in rural and urban areas continued to climb in 1992. During the past year, there were large differences in unemployment rates among rural areas. Rural areas in the West and Northeast had the highest unemployment rates and the largest increases in unemployment. The Midwest had the lowest rural unemployment rates.*

Rural unemployment continued to rise during the third quarter of 1992, despite signs of improvement in the economy. During the period of fitful growth since 1991, rural and urban unemployment rates have continued to rise slowly. Unemployment either stagnated or increased in rural areas in each U.S. region between the first half of 1991 and the first half of 1992. As the economy continues to improve, these rates should begin to drop.

The seasonally adjusted rural unemployment rate rose from 7.1 percent to 7.5 percent between the second and third quarters of 1992, according to the Current Population Survey (CPS). About 2 million rural people were jobless during the third quarter of 1992. While county-level data from the Bureau of Labor Statistics (BLS) show similar trends for 1992, they show a more abrupt rise in rural unemployment than do the CPS data.

Also, the standard unemployment rates do not present the complete unemployment picture. They do not include persons who have given up searching for employment because they believe there are no jobs available (discouraged workers) or part-time workers who would prefer full-time employment (the involuntarily part-time). In the third quarter of 1992, the adjusted rural unemployment rate, which includes discouraged workers and half of the involuntary part-time workers, was 11.3 percent, slightly higher than the first quarter's rate of 11 percent.

The urban unemployment rate has risen about the same amount as the rural unemployment rate. The urban unemployment rate rose from 7 percent to 7.6 percent since the first of the year, according to CPS seasonally adjusted data. The urban adjusted unemployment rate also increased, climbing from 10.3 percent to 10.7 percent by the third quarter, but remained below the rural adjusted unemployment rate.

### Rural Unemployment Varies Across the Nation

There are large differences in local joblessness among rural areas. Many factors affect unemployment rates, including an area's economic base, and these factors differ from county to county. BLS data show that counties with mining as their economic base had a high unemployment rate (about 11 percent) and also had a large increase in unemployment between the first halves of 1991 and 1992 (1.5 percentage points). Counties with agriculture as their economic base had low unemployment and saw little change.

Another pattern of high unemployment rates appears in BLS data. Counties with large numbers of ethnic minorities tend to have higher than average unemployment rates. Counties where Blacks were 25 percent or more of the population had an above-average unemployment rate of 9 percent in the first half of 1992. The unemployment rate was about 12 percent for counties with a high concentration of Hispanics and about 11 percent for counties with a high concentration of Native Americans.

### Rural Unemployment Highest in the Western and Northeastern Regions in 1992

BLS data also show that rural unemployment varies by region and State. The rural West had the highest unemployment rate at 9.8 percent, an increase of 1.3 percentage points over its first-half 1991 rate. California had the highest rural unemployment rate of any State, 14 percent. Unemployment in the rural West was largely concentrated in or near Federal timber and grazing lands in northern California, the Pacific Northwest, and Idaho and Montana. Areas in the rural Southwest with high numbers of Hispanics, such as counties in Arizona and New Mexico, also had above-average unemployment. Unemployment in Alaska, already high at 9.3 percent, increased to 12 percent in 1992, most likely due to declining oil-related employment.

The unemployment rate in the rural areas of the Northeast was 9.1 percent in the first half of 1992, up from 8.8 percent a year earlier. Most of the unemployment in the rural Northeast was in the northern areas of Vermont and New Hampshire, and throughout rural Maine, New York, and Pennsylvania. Some of the joblessness in the Northeast is due to declining employment in the construction, manufacturing, and finance sectors.

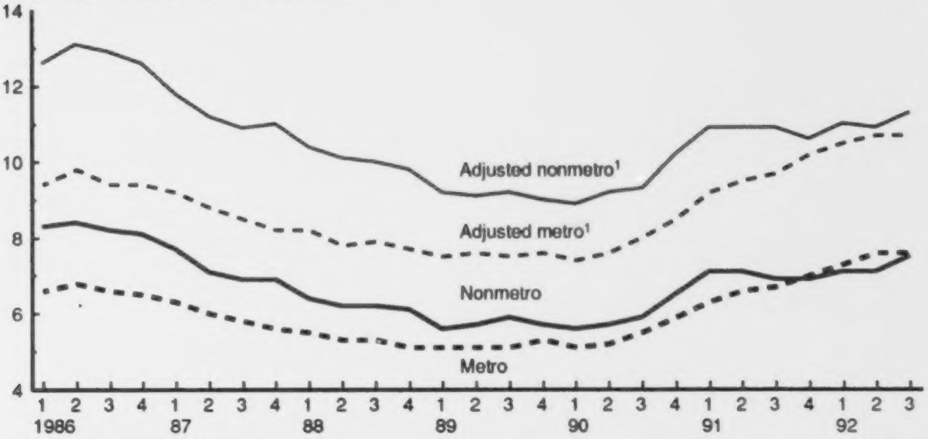
The South, historically a region with above-average joblessness, saw little change in its unemployment rate. The region's highest rural unemployment rate was in West Virginia (13.5 percent), partly the result of the continuing problems in coal mining. Counties with high unemployment in the rural South were in the Appalachian Plateau (a coal mining area), the Mississippi Delta, and several Southeastern States.

The unemployment rate in the rural Midwest, 7.5 percent, was below the U.S. average and stayed about the same as in the first half of 1991. With most counties having an agricultural economic base, this region has traditionally enjoyed relatively low unemployment rates. Iowa, Kansas, Nebraska, and South Dakota had rural unemployment rates of less than 6 percent. Higher rural unemployment areas of the Midwest were concentrated in Michigan and Illinois. A contributing factor to unemployment in rural Michigan may have been a recession-induced decline in the use of recreational facilities in rural counties. The high unemployment rates in counties in southern Illinois are long standing. *[Elizabeth M. Dagata, 202-219-0536]*

**Quarterly unemployment rates, 1986-92**

**Nonmetro unemployment climbed in 1992, but may have peaked**

*Percentage unemployed, seasonally adjusted*

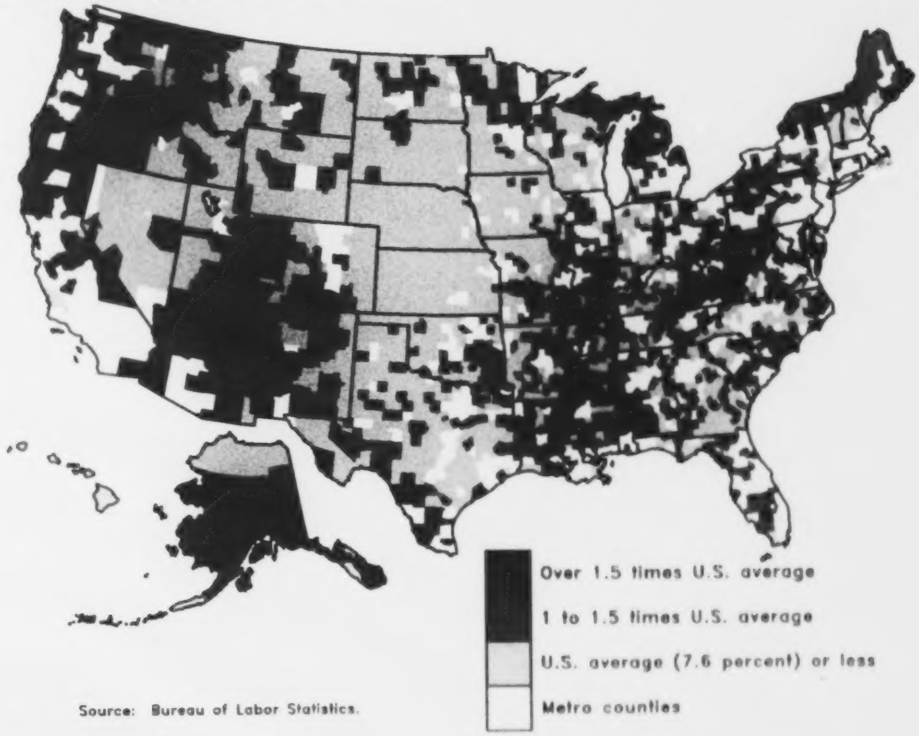


[1] Includes discouraged workers and half of workers employed part time for economic reasons.

Source: Current Population Survey.

**Nonmetro unemployment, first half of 1992**

**Unemployment generally lower in the Plains**


Over 1.5 times U.S. average
1 to 1.5 times U.S. average
U.S. average (7.6 percent) or less
Metro counties

Source: Bureau of Labor Statistics.

# Appendix: Data Sources and Definitions

## Data Sources

**Macroeconomic conditions:** The economic indicators used to monitor macroeconomic changes in the U.S. economy are derived from Federal sources. Measures of inflation, including the Consumer and Producer Price Indexes, and employment and unemployment data are developed by the U.S. Department of Labor's Bureau of Labor Statistics (BLS). National income and product account information on capital investment, gross national product, and net exports is produced by the Bureau of Economic Analysis (BEA), U.S. Department of Commerce. Information relating to monetary policy, including changes in interest rates and foreign exchange rates, and data on industrial production are furnished by the Federal Reserve Board of Governors.

**Employment and unemployment:** Data on nonmetro employment and unemployment come from two sources. The monthly Current Population Survey (CPS), conducted by the Bureau of the Census for the U.S. Department of Labor, provides detailed information on the labor force, employment, unemployment, and demographic characteristics of the metro and nonmetro population. CPS derives estimates based on a national sample of about 60,000 households that are representative of the U.S. civilian noninstitutional population 16 years of age and over. Labor force information is based on respondents' activity during 1 week each month.

County-level employment data from BLS's Local Area Unemployment Statistics files are compared with CPS data in the "Employment" section. These BLS estimates are based on unemployment insurance claims and State surveys of establishment payrolls which are then benchmarked to State totals from the CPS. Thus, at the national and State levels, BLS and CPS estimates are the same. The BLS data series provides monthly estimates of labor force, employment, and unemployment for individual counties.

The CPS and BLS data sets each have advantages and disadvantages. CPS furnishes detailed employment, unemployment, and demographic data for metro and nonmetro portions of the Nation. BLS provides less detailed data than the CPS, but offers very current county-level employment and unemployment information. While these data sources are likely to differ somewhat in their estimates of nonmetro employment conditions at any point in time, they generally indicate similar trends.

## Definitions

Throughout ***Rural Conditions and Trends***, we use "rural" and "nonmetro" interchangeably. The same holds for "urban" and "metro." However, in tables we use "nonmetro" and "metro," the original and more accurate terms used in the data sources.

**Adjusted unemployment rate:** The number of unemployed people, discouraged workers who have given up looking for work, and half of the workers who work part time but want full-time work as a percentage of the civilian labor force plus discouraged workers.

**Civilian labor force:** Noninstitutional civilians aged 16 or older who are either employed or unemployed. Individuals who are neither employed nor unemployed are out of the labor force.

**Consumer Price Index (CPI):** A measure of the average price level of a basket of consumer goods and services at the retail level for a specific period compared against a benchmark period.

**County type classification:** A recently updated USDA classification of nonmetro counties by principal economic activity or demographic base. The categories used in this issue are as follows:

Farming-dependent—counties where farming accounted for a weighted annual average of 20 percent or more of total labor and proprietor income (TLPI) in 1981, 1982, 1984, 1985, and 1986.
Manufacturing-dependent—counties where manufacturing contributed 30 percent of more of TLPI in 1986.
Mining-dependent—counties where mining contributed 20 percent or more to TLPI in 1986.
Government-dependent—counties where Federal, State, and local governments contributed 25 percent or more to TLPI in 1986.
Retirement-destination—counties where the net inmigration rates of people aged 60 and over were 15 percent or more of the expected 1980 population aged 60 and over for the period 1970-80.
For further information, see Thomas F. Hady and Peggy J. Ross, ***An Update: The Diverse Social and Economic Structure of Nonmetro America***, AGES 9036, U.S. Department of Agriculture, Economic Research Service, June 1990.

**Foreign exchange rate:** The rate at which one currency is traded for another. The Federal Reserve publishes a measure of the overall foreign exchange rate of the U.S. dollar based on the rates of the 10 major U.S. trading partners.

**Gross domestic product (GDP):** The value of final output produced by people, governments, and firms in the United States, whether they are U.S. or foreign citizens, or U.S.- or foreign-owned firms. Output of U.S. citizens or firms located outside the United States is not included. This statistic is reported quarterly but is revised in each of the 2 months following the initial release. Nominal GDP measures final goods and services at current prices. Real GDP measures final goods and services at 1987 prices to adjust for inflation.

**Inflation rate:** The percentage change in a measure of the average price level. Changes are reported on a monthly basis and are stated as annual rates for longer term comparisons. The two major measures of the average price level are the Consumer and Producer Price Indexes.

**Labor force participation rate:** The civilian labor force as a percentage of the civilian noninstitutional population 16 and older.

**Metro areas:** Metropolitan Statistical Areas (MSA's), as defined by the Office of Management and Budget, include core counties containing a city of 50,000 or more people and a total area population of at least 100,000. Additional contiguous counties are included in the MSA if they are economically and socially integrated with the core county. Metro areas are divided into central cities and areas outside central cities (suburbs). Throughout this publication, "urban" and "metro" have been used interchangeably to refer to people and places within MSA's.

**Nonmetro areas:** Counties outside metro area boundaries. Throughout this publication, "rural" and "nonmetro" are used interchangeably to refer to people and places outside of MSA's.

**Nonmetro county rural-urban continuum classification:** A classification that distinguishes among nonmetro counties by degree of urbanization and proximity to metro areas. The categories are as follows:

Urban adjacent—aggregate urban population (people living in places of 2,500 or more population) of 20,000 or more, adjacent to a metro area.
Urban nonadjacent—urban population of 20,000 or more, not adjacent to a metro area.
Less urban adjacent—urban population of 2,500 to 19,999, adjacent to a metro area.
Less urban nonadjacent—urban population of 2,500 to 19,999, not adjacent to a metro area.
Rural adjacent—completely rural (county contains no place of 2,500 or more population), adjacent to a metro area.
Rural nonadjacent—completely rural, not adjacent to a metro area.

This nonmetro classification is part of a larger classification that also groups metro areas by size. For further information, see Margaret A. Butler, ***Rural-Urban Continuum Codes for Metro and Nonmetro Counties***, AGES 9028, U.S. Department of Agriculture, Economic Research Service, April 1990.

**Nonmetro minority counties:** A classification of nonmetro counties by race and ethnicity. Minority counties are nonmetro counties in which 25 percent or more of the total population in 1990 belonged to a single minority group—Black, Hispanic, or Native American. The groups are as follows:

Black—332 nonmetro counties in which 63.1 percent of all nonmetro Blacks lived in 1990.
Hispanic—123 nonmetro counties in which 51.1 percent of all nonmetro Hispanics lived in 1990.
Native American—44 nonmetro counties in which 41.3 percent of all nonmetro Native Americans (American Indians, Eskimos, and Aleuts) lived in 1990.

**Producer Price Index:** A measure of the average price received by producers of finished goods at the wholesale level during a specific period compared against a benchmark period.

**Unemployment rate:** The number of unemployed people 16 years and older as a percentage of the civilian labor force 16 years and older.

## Appendix Tables

### Appendix table 1—Nonmetro employment: Quarterly and annual averages

| Year/ quarter | Population 16+ | Labor force | Labor force participation | Employed | Employment-population ratio | Unemployed | Unemployment rate | Adjusted unemployment rate[1] |
|---|---|---|---|---|---|---|---|---|
| | *Thousands* | | *Percent* | *Thousands* | *Percent* | *Thousands* | *Percent* | |
| 1992: | | | | | | | | |
| 3rd | 42,653 | 27,344 | 64.1 | 25,452 | 59.7 | 1,892 | 6.9 | 10.6 |
| 2nd | 42,322 | 26,939 | 63.7 | 25,047 | 59.2 | 1,893 | 7.0 | 10.7 |
| 1st | 42,114 | 26,232 | 62.3 | 24,052 | 57.1 | 2,179 | 8.3 | 12.4 |
| 1991: | | | | | | | | |
| 4th | 42,328 | 26,442 | 62.5 | 24,745 | 58.5 | 1,697 | 6.4 | 10.1 |
| 3rd | 41,904 | 26,364 | 62.9 | 24,683 | 58.9 | 1,681 | 6.4 | 10.3 |
| 2nd | 42,017 | 26,529 | 63.1 | 24,673 | 58.7 | 1,856 | 7.0 | 10.7 |
| 1st | 42,073 | 26,049 | 61.9 | 23,898 | 56.8 | 2,151 | 8.3 | 12.3 |
| 1990: | | | | | | | | |
| 4th | 42,106 | 26,361 | 62.6 | 24,776 | 58.8 | 1,585 | 6.0 | 9.7 |
| 3rd | 42,079 | 26,607 | 63.2 | 25,158 | 59.8 | 1,450 | 5.4 | 8.8 |
| 2nd | 41,774 | 26,417 | 63.2 | 24,934 | 59.7 | 1,483 | 5.6 | 8.9 |
| 1st | 41,660 | 25,893 | 62.2 | 24,196 | 58.1 | 1,697 | 6.6 | 10.0 |
| 1989: | | | | | | | | |
| 4th | 41,646 | 26,168 | 62.8 | 24,778 | 59.9 | 1,390 | 5.3 | 8.6 |
| 3rd | 41,755 | 26,783 | 64.1 | 25,323 | 60.6 | 1,459 | 5.4 | 8.7 |
| 2nd | 41,588 | 26,389 | 63.5 | 24,919 | 59.9 | 1,470 | 5.6 | 8.9 |
| 1st | 40,912 | 25,441 | 62.2 | 23,807 | 58.2 | 1,634 | 6.4 | 10.2 |
| 1988: | | | | | | | | |
| 4th | 40,629 | 25,510 | 62.8 | 24,024 | 59.2 | 1,469 | 5.8 | 9.4 |
| 3rd | 40,812 | 25,793 | 63.2 | 24,294 | 59.5 | 1,499 | 5.8 | 9.6 |
| 2nd | 40,877 | 25,513 | 62.4 | 23,978 | 58.7 | 1,535 | 6.0 | 9.8 |
| 1st | 40,522 | 24,819 | 61.2 | 22,996 | 56.7 | 1,823 | 7.3 | 11.6 |
| 1987: | | | | | | | | |
| 4th | 40,280 | 25,087 | 62.3 | 23,449 | 58.2 | 1,638 | 6.5 | 10.6 |
| 3rd | 40,214 | 25,277 | 62.9 | 23,634 | 58.8 | 1,643 | 6.5 | 10.5 |
| 2nd | 40,497 | 25,186 | 62.2 | 23,437 | 57.9 | 1,749 | 6.9 | 10.9 |
| 1st | 40,745 | 24,856 | 61.0 | 22,688 | 55.7 | 2,167 | 8.7 | 13.1 |
| 1991 | 42,080 | 26,346 | 62.6 | 24,500 | 58.2 | 1,846 | 7.0 | 10.8 |
| 1990 | 41,905 | 26,319 | 62.8 | 24,766 | 59.1 | 1,554 | 5.9 | 9.4 |
| 1989 | 41,482 | 26,209 | 63.2 | 24,718 | 59.6 | 1,491 | 5.7 | 9.1 |
| 1988 | 40,710 | 25,409 | 62.4 | 23,827 | 58.5 | 1,582 | 6.2 | 10.1 |
| 1987 | 40,434 | 25,101 | 62.1 | 23,302 | 57.6 | 1,799 | 7.2 | 11.3 |
| 1986 | 40,646 | 25,171 | 61.9 | 23,091 | 56.8 | 2,080 | 8.3 | 12.8 |
| 1985 | 40,493 | 24,781 | 61.2 | 22,700 | 56.1 | 2,081 | 8.4 | 13.0 |
| 1984 | 55,946 | 34,725 | 62.1 | 31,930 | 57.1 | 2,796 | 8.1 | 12.2 |
| 1983 | 55,294 | 34,156 | 61.8 | 30,696 | 55.5 | 3,460 | 10.1 | 14.9 |
| 1982 | 54,727 | 33,740 | 61.7 | 30,335 | 55.4 | 3,405 | 10.1 | 14.9 |
| 1981 | 53,449 | 33,092 | 61.9 | 30,488 | 57.0 | 2,603 | 7.9 | 11.5 |
| 1980 | 52,706 | 32,512 | 61.7 | 30,150 | 57.2 | 2,362 | 7.3 | 10.7 |
| 1979 | 51,563 | 31,716 | 61.5 | 29,916 | 58.0 | 1,800 | 5.7 | 8.5 |

Note: Beginning in 1985, estimation procedures for the Current Population Survey are based on the 1980 Census. That change accounts for the large drop in the nonmetro population and labor force between 1984 and 1985. Quarterly data shown in this table are not seasonally adjusted, and, therefore, do not match seasonally adjusted numbers analyzed in the "Employment" and "Unemployment" articles.

[1] Unemployment rate adjusted to include discouraged workers and half of the workers employed part time for economic reasons.

Source: Current Population Survey.

## Appendix table 2—Metro employment: Quarterly and annual averages

| Year/ quarter | Population 16+ | Labor force | Labor force participation | Employed | Employment-population ratio | Unemployed | Unemployment rate | Adjusted unemployment rate[1] |
|---|---|---|---|---|---|---|---|---|
| | *Thousands* | | *Percent* | *Thousands* | *Percent* | *Thousands* | *Percent* | |
| 1992: | | | | | | | | |
| 3rd | 149,134 | 101,028 | 67.7 | 93,478 | 62.7 | 7,550 | 7.5 | 10.7 |
| 2nd | 148,989 | 100,255 | 67.3 | 92,745 | 62.2 | 7,510 | 7.5 | 10.5 |
| 1st | 148,774 | 99,186 | 66.7 | 91,432 | 61.5 | 7,754 | 7.8 | 11.1 |
| 1991: | | | | | | | | |
| 4th | 148,121 | 98,915 | 66.8 | 92,327 | 62.3 | 6,589 | 6.7 | 9.8 |
| 3rd | 148,074 | 99,912 | 67.5 | 93,299 | 63.0 | 6,613 | 6.6 | 9.7 |
| 2nd | 147,506 | 99,017 | 67.1 | 92,522 | 62.7 | 6,496 | 6.6 | 9.4 |
| 1st | 147,039 | 97,984 | 66.6 | 91,362 | 62.1 | 6,622 | 6.8 | 9.7 |
| 1990: | | | | | | | | |
| 4th | 146,589 | 98,463 | 67.2 | 92,956 | 63.4 | 5,507 | 5.6 | 8.2 |
| 3rd | 146,187 | 99,290 | 67.9 | 93,872 | 64.2 | 5,417 | 5.5 | 8.0 |
| 2nd | 146,051 | 98,504 | 67.4 | 93,480 | 64.0 | 5,024 | 5.1 | 7.4 |
| 1st | 145,751 | 97,615 | 67.0 | 92,238 | 63.3 | 5,332 | 5.5 | 7.8 |
| 1989: | | | | | | | | |
| 4th | 145,371 | 98,191 | 67.5 | 93,242 | 64.1 | 4,949 | 5.0 | 7.3 |
| 3rd | 144,848 | 98,373 | 67.9 | 93,366 | 64.5 | 5,007 | 5.1 | 7.5 |
| 2nd | 144,589 | 97,391 | 67.4 | 92,449 | 63.9 | 4,942 | 5.1 | 7.5 |
| 1st | 144,861 | 96,633 | 66.7 | 91,411 | 63.1 | 5,223 | 5.4 | 7.9 |
| 1988: | | | | | | | | |
| 4th | 144,625 | 96,886 | 67.0 | 92,139 | 63.7 | 4,748 | 4.9 | 7.4 |
| 3rd | 144,028 | 97,249 | 67.5 | 92,132 | 64.0 | 5,117 | 5.3 | 8.0 |
| 2nd | 143,512 | 95,843 | 66.8 | 90,801 | 63.3 | 5,042 | 5.3 | 7.8 |
| 1st | 143,445 | 95,061 | 66.3 | 89,492 | 62.4 | 5,569 | 5.9 | 8.6 |
| 1987: | | | | | | | | |
| 4th | 143,187 | 95,433 | 66.6 | 90,347 | 63.1 | 5,086 | 5.3 | 7.9 |
| 3rd | 142,802 | 95,924 | 67.2 | 90,434 | 63.3 | 5,490 | 5.7 | 8.6 |
| 2nd | 142,030 | 94,546 | 66.6 | 88,869 | 62.6 | 5,677 | 6.0 | 8.7 |
| 1st | 141,257 | 93,152 | 65.9 | 86,904 | 61.5 | 6,249 | 6.7 | 9.6 |
| 1991 | 147,685 | 98,957 | 67.0 | 92,377 | 62.6 | 6,580 | 6.6 | 9.6 |
| 1990 | 146,144 | 98,468 | 67.4 | 93,148 | 63.7 | 5,320 | 5.4 | 7.9 |
| 1989 | 144,911 | 97,660 | 67.4 | 92,624 | 63.9 | 5,036 | 5.2 | 7.5 |
| 1988 | 143,903 | 96,260 | 66.9 | 91,141 | 63.3 | 5,119 | 5.3 | 7.9 |
| 1987 | 142,319 | 94,764 | 66.6 | 89,138 | 62.6 | 5,625 | 5.9 | 8.7 |
| 1986 | 139,941 | 92,665 | 66.2 | 86,508 | 61.8 | 6,157 | 6.6 | 9.5 |
| 1985 | 137,713 | 90,684 | 65.9 | 84,453 | 61.3 | 6,231 | 6.9 | 9.9 |
| 1984 | 120,437 | 78,819 | 65.4 | 73,076 | 60.7 | 5,743 | 7.3 | 10.4 |
| 1983 | 118,922 | 77,394 | 65.1 | 70,137 | 59.0 | 7,257 | 9.4 | 13.1 |
| 1982 | 117,544 | 76,465 | 65.1 | 69,192 | 58.9 | 7,273 | 9.5 | 13.1 |
| 1981 | 112,987 | 73,301 | 64.9 | 67,825 | 60.0 | 5,476 | 7.5 | 10.3 |
| 1980 | 111,438 | 72,207 | 64.8 | 67,120 | 60.2 | 5,087 | 7.0 | 9.5 |
| 1979 | 109,969 | 71,192 | 64.7 | 67,029 | 61.0 | 4,163 | 5.8 | 8.0 |

Note: Beginning in 1985, estimation procedures for the Current Population Survey are based on the 1980 Census. Quarterly data shown in this table are not seasonally adjusted, and, therefore, do not match seasonally adjusted numbers analyzed in the "Employment" and "Unemployment" articles.

[1] Unemployment rate adjusted to include discouraged workers and half of the workers employed part time for economic reasons.

Source: Current Population Survey.

## Appendix table 3—Average unemployment rates for nonmetro county groups

| Item | Average over first half of each year | | |
|---|---|---|---|
| | 1990 | 1991 | 1992 |
| | | *Percent* | |
| U.S. total | 5.5 | 6.9 | 7.6 |
| Metro | 5.1 | 6.5 | 7.4 |
| Nonmetro | 6.7 | 8.1 | 8.5 |
| Region: | | | |
| Northeast | 6.3 | 8.8 | 9.1 |
| Midwest | 6.5 | 7.3 | 7.5 |
| South | 6.6 | 8.3 | 8.6 |
| West | 7.5 | 8.5 | 9.8 |
| County type: | | | |
| Farming | 6.6 | 7.4 | 7.6 |
| Manufacturing | 6.7 | 8.5 | 8.6 |
| Mining | 8.0 | 9.3 | 10.8 |
| Government | 6.7 | 8.0 | 8.5 |
| Retirement | 6.9 | 8.3 | 8.9 |
| Urban-rural continuum: | | | |
| Adjacent— | | | |
| Urban | 6.4 | 8.0 | 8.5 |
| Less urban | 6.8 | 8.4 | 8.6 |
| Rural | 6.9 | 8.5 | 8.9 |
| Nonadjacent— | | | |
| Urban | 6.5 | 7.6 | 8.4 |
| Less urban | 6.8 | 8.0 | 8.4 |
| Rural | 6.8 | 8.3 | 8.5 |
| Minority counties: | | | |
| Black | 6.8 | 8.7 | 9.0 |
| Hispanic | 9.7 | 10.4 | 12.1 |
| Native American | 8.8 | 9.3 | 11.1 |

Source: Bureau of Labor Statistics.

## Appendix table 4—Average employment change for nonmetro county groups

| Item | Average change between first half of each year | | |
|---|---|---|---|
| | 1989-90 | 1990-91 | 1991-92 |
| | | *Percent* | |
| U.S. total | 0.9 | -1.0 | 0.3 |
| Metro | .8 | -1.1 | .1 |
| Nonmetro | 1.1 | -.5 | .9 |
| Region: | | | |
| Northeast | 1.1 | -1.9 | .4 |
| Midwest | .3 | .1 | 1.0 |
| South | 1.6 | -.9 | 1.0 |
| West | 1.7 | .1 | .9 |
| County type: | | | |
| Farming | .7 | -.7 | .7 |
| Manufacturing | .5 | -1.3 | .7 |
| Mining | 2.6 | -.4 | .2 |
| Government | 1.8 | -.6 | .9 |
| Retirement | 1.7 | 0 | 1.7 |
| Urban-rural continuum: | | | |
| Adjacent— | | | |
| Urban | .6 | -.5 | .8 |
| Less urban | .7 | -.8 | 1.2 |
| Rural | .6 | -.6 | 1.5 |
| Nonadjacent— | | | |
| Urban | 1.7 | -.1 | .7 |
| Less urban | 1.4 | -.5 | .9 |
| Rural | 2.4 | -1.2 | .7 |
| Minority counties: | | | |
| Black | .9 | -1.4 | .5 |
| Hispanic | .7 | .8 | 1.2 |
| Native American | 1.1 | -.3 | .6 |

Source: Bureau of Labor Statistics.

## Appendix table 5—Nonmetro employment and unemployment by State

| State | Averages over first half of each year | | | |
|---|---|---|---|---|
| | Employment change | | Unemployment rate | |
| | 1990-91 | 1991-92 | 1991 | 1992 |
| | *Percent* | | | |
| Alabama | -1.8 | 1.0 | 9.1 | 9.1 |
| Alaska | .5 | -.7 | 10.4 | 12.0 |
| Arizona | .9 | -.7 | 8.4 | 13.2 |
| Arkansas | -1.9 | 3.2 | 8.2 | 8.2 |
| California | .6 | 3.0 | 12.7 | 13.9 |
| Colorado | -.8 | -.2 | 6.8 | 8.2 |
| Connecticut | -.3 | .2 | 7.7 | 8.5 |
| Delaware | .8 | 3.5 | 7.0 | 6.4 |
| Florida | 1.2 | .4 | 7.6 | 8.9 |
| Georgia | -2.1 | -.1 | 6.3 | 7.0 |
| Hawaii | 8.0 | .4 | 3.5 | 6.0 |
| Idaho | -.6 | 1.7 | 7.9 | 7.8 |
| Illinois | 1.1 | .3 | 8.4 | 10.2 |
| Indiana | -2.3 | -.8 | 7.5 | 7.2 |
| Iowa | -.5 | 1.5 | 5.2 | 5.3 |
| Kansas | -.7 | 2.7 | 4.6 | 4.0 |
| Kentucky | -2.6 | 1.6 | 8.8 | 8.3 |
| Louisiana | 1.0 | 3.1 | 9.5 | 10.2 |
| Maine | -.9 | .9 | 9.0 | 8.4 |
| Maryland | .2 | 2.3 | 7.9 | 9.7 |
| Massachusetts | -5.6 | .3 | 11.7 | 10.9 |
| Michigan | -2.1 | 2.9 | 11.7 | 11.5 |
| Minnesota | 3.3 | -1.0 | 6.6 | 6.9 |
| Mississippi | -1.0 | -1.9 | 10.5 | 9.6 |
| Missouri | .8 | 1.7 | 7.8 | 7.5 |
| Montana | -2.5 | 2.2 | 7.8 | 8.0 |
| Nebraska | 3.1 | -.8 | 2.7 | 3.1 |
| Nevada | 1.1 | .3 | 5.6 | 6.7 |
| New Hampshire | .4 | 1.6 | 7.2 | 7.1 |
| New Mexico | 1.1 | 1.0 | 8.6 | 9.2 |
| New York | -2.1 | -1.2 | 8.5 | 9.5 |
| North Carolina | -1.8 | .2 | 7.4 | 7.6 |
| North Dakota | -3.1 | -2.0 | 5.2 | 6.0 |
| Ohio | .5 | 1.1 | 9.0 | 9.9 |
| Oklahoma | -2.9 | -.3 | 7.6 | 7.3 |
| Oregon | .3 | -1.1 | 8.1 | 9.9 |
| Pennsylvania | -2.0 | 1.3 | 9.5 | 9.9 |
| Rhode Island | -5.1 | -3.3 | 8.4 | 8.7 |
| South Carolina | -2.3 | 1.9 | 8.5 | 8.7 |
| South Dakota | -.4 | .1 | 3.8 | 3.8 |
| Tennessee | -1.1 | 1.2 | 9.2 | 9.1 |
| Texas | 1.5 | 1.7 | 6.7 | 7.9 |
| Utah | -.2 | 1.5 | 6.3 | 6.3 |
| Vermont | -3.1 | .7 | 8.1 | 7.9 |
| Virginia | 1.7 | 2.1 | 9.1 | 9.5 |
| Washington | -1.4 | 2.2 | 9.3 | 10.3 |
| West Virginia | -1.5 | -.3 | 11.8 | 13.5 |
| Wisconsin | .5 | 3.4 | 7.1 | 6.4 |
| Wyoming | -1.9 | -1.0 | 5.2 | 6.5 |

Note: There are no nonmetro counties in the District of Columbia or New Jersey.

Source: Bureau of Labor Statistics.

## Appendix table 6—Metro employment and unemployment by State

| State | Averages over first half of each year | | | |
|---|---|---|---|---|
| | Employment change | | Unemployment rate | |
| | 1990-91 | 1991-92 | 1991 | 1992 |
| | *Percent* | | | |
| Alabama | 0.1 | 0.4 | 6.5 | 6.8 |
| Alaska | -.9 | -1.6 | 6.6 | 7.7 |
| Arizona | -1.2 | -1.9 | 4.0 | 6.6 |
| Arkansas | -2.1 | 3.4 | 6.6 | 6.8 |
| California | -2.2 | 1.0 | 7.4 | 8.6 |
| Colorado | 1.0 | -.3 | 5.1 | 6.1 |
| Connecticut | -1.4 | -1.7 | 6.3 | 7.3 |
| Delaware | -2.3 | .4 | 6.8 | 5.9 |
| District of Columbia | -7.0 | -1.0 | 7.7 | 8.4 |
| Florida | -.2 | -.1 | 6.9 | 8.3 |
| Georgia | -.9 | .8 | 5.1 | 5.8 |
| Hawaii | 4.2 | -1.0 | 2.3 | 3.1 |
| Idaho | 2.0 | 2.2 | 4.5 | 4.4 |
| Illinois | -.3 | -.7 | 6.4 | 8.1 |
| Indiana | -1.7 | .4 | 5.7 | 5.8 |
| Iowa | .9 | 2.0 | 4.7 | 4.7 |
| Kansas | -1.2 | 3.3 | 4.8 | 4.0 |
| Kentucky | -3.5 | .4 | 5.8 | 5.6 |
| Louisiana | 2.2 | 1.1 | 6.3 | 6.6 |
| Maine | -1.9 | 1.9 | 7.9 | 7.0 |
| Maryland | -2.0 | .5 | 5.7 | 6.8 |
| Massachusetts | -5.7 | .8 | 9.3 | 8.7 |
| Michigan | -2.1 | .4 | 9.1 | 8.9 |
| Minnesota | 2.7 | -2.1 | 4.9 | 5.0 |
| Mississippi | .2 | -1.8 | 6.6 | 6.5 |
| Missouri | 1.1 | 2.2 | 6.4 | 5.6 |
| Montana | -1.5 | 2.6 | 5.4 | 5.9 |
| Nebraska | 2.5 | -1.4 | 2.6 | 3.0 |
| Nevada | 4.7 | 2.4 | 5.7 | 6.7 |
| New Hampshire | .1 | -4.1 | 7.3 | 8.1 |
| New Jersey | -2.5 | -1.3 | 6.7 | 8.1 |
| New Mexico | -.5 | 3.0 | 6.3 | 5.8 |
| New York | -3.0 | -2.9 | 7.0 | 8.5 |
| North Carolina | -2.0 | 1.1 | 5.0 | 5.3 |
| North Dakota | -1.3 | .3 | 3.4 | 3.9 |
| Ohio | -.4 | -.4 | 6.4 | 7.1 |
| Oklahoma | -3.2 | 1.3 | 6.4 | 6.2 |
| Oregon | 1.8 | -.2 | 5.3 | 6.9 |
| Pennsylvania | -1.9 | .2 | 6.8 | 7.5 |
| Rhode Island | -2.4 | .6 | 8.4 | 9.0 |
| South Carolina | 0 | -.2 | 5.1 | 5.8 |
| South Dakota | 2.3 | 1.9 | 2.7 | 2.7 |
| Tennessee | -.6 | -1.1 | 5.5 | 6.2 |
| Texas | 1.2 | .7 | 6.4 | 7.8 |
| Utah | 1.9 | 1.7 | 4.5 | 4.6 |
| Vermont | -1.3 | -1.5 | 4.9 | 5.0 |
| Virginia | 1.4 | 2.0 | 5.0 | 5.9 |
| Washington | -2.1 | 1.9 | 5.8 | 6.9 |
| West Virginia | -1.7 | -2.3 | 8.3 | 10.3 |
| Wisconsin | -1.8 | 2.5 | 5.5 | 5.0 |
| Wyoming | -2.4 | -2.5 | 5.9 | 7.9 |

Source: Bureau of Labor Statistics.

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Economic Research Service • United States Department of Agriculture • Spring 1993 • Vol.4, No. 1

Urban unemployment rate higher than rural

Rural income and poverty stable

Rural residents have less access to job-related health insurance than urban residents •

# Rural Conditions and Trends

Spring 1993, Vol. 4, No. 1

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# Rural Conditions Stable While Urban Conditions Slip

*Rural unemployment, income, and poverty were relatively stable while urban conditions dipped. Although urban declines narrowed rural-urban gaps, they did not improve the status of rural residents. National indicators for 1993 suggest modest rural growth.*

Most of the indicators we use to measure the relative position of rural areas are suggesting very similar trends—rural conditions are stable while urban conditions are declining slightly. During the last year, we reported that the 1990-91 recession affected rural and urban areas similarly, that rural and urban unemployment rates converged, and that employment grew faster in rural areas than urban. The most recent data show that rural employment continued to grow faster than urban employment in the last quarter of 1992. And, for the first time in more than a decade, the annual urban unemployment rate for 1992 exceeded the rural rate.

### National Indicators Suggest Continued Growth

Current national economic trends suggest that modest rural growth is likely in 1993. Low short-term interest rates, falling long-term interest rates, and low inflation favor consumer spending and business investment. If the administration institutes an investment tax credit, investments in manufacturing plant and equipment would probably increase. With manufacturing making up a larger proportion of the rural economy than urban, rural areas might receive a disproportionate share of those investments.

### More Detail on the Recession Years

Our interpretation of rural conditions is limited by how much of the rural "picture" is available. Articles on national conditions rely on very recent data. Articles on quarterly movements in rural and urban employment and unemployment rely on data available with a lag of about a quarter or two. Articles on other aspects of rural life help to create a more complete picture, but use data that become available with a longer timelag.

This issue has several articles that fill in details about rural conditions during 1990 and 1991, when the economy went into a recession and began to slowly emerge from it. We suggested in previous issues that the 1990-91 recession was easier on rural areas than the 1981-82 recession because national data showed that the recent recession was more evenly spread across industries. The Industry article investigates that idea with rural data from 1990. From 1989 to 1990, the first year of the recent recession, rural areas lost fewer manufacturing jobs than they lost between 1980 and 1981, the first year of the previous recession. Also, urban areas took a much larger share of manufacturing job losses in 1990 than in 1981.

The articles on income and poverty in 1991 give us a look at the economic consequences of the recession for rural and urban areas. Rural real median household income and the rural poverty rate remained the same as in 1990, while urban income decreased and poverty increased. Rural income is still lower than urban income and rural poverty is still higher than urban poverty, but the worsening urban conditions narrowed the gaps.

### Possible Consequences of Shrinking Urban Opportunities

The rural-urban gap in unemployment disappeared, and the gaps in income and poverty narrowed slightly because urban conditions worsened. But, worsening urban conditions do not benefit rural areas. In fact, if urban employment opportunities continue to sour, we may see rising rural unemployment and underemployment (workers in jobs requiring less skill than they possess or working part time involuntarily) as would-be migrants to urban areas are discouraged from migrating or previous migrants return home after unsuccessful searches for urban employment. As we pointed out in the Spring 1992 issue, migration of highly educated, rural youth to metro areas is a drain on the human resources of rural areas, but keeping them in rural areas without job opportunities equal to their skills is also a waste of human capital.

### Health Insurance Coverage in Rural Areas

With national health care reform high on the administration's agenda, we have a very topical article on the sources of health insurance coverage for rural residents under age 65. Urban health insurance coverage rates fell from 1987 to 1991, while rural rates remained constant. As a result, 1991 marked the first year that there was no appreciable difference in the proportions of rural and urban residents covered by health insurance. More urban than rural residents obtain employer-related coverage, but rural residents compensate with coverage from other sources. As is the case with unemployment, income, and poverty gaps, rural residents did not benefit from the disappearance of the gap in health insurance coverage because it was closed by falling urban coverage rather than rising rural coverage. *[Linda M. Ghelfi, 202-219-0520]*

# Economy on the Mend

*Real GDP surged in the fourth quarter of 1992, and job growth picked up early in 1993. Interest rates reached their lowest levels in decades, helping to brighten growth prospects.*

Real gross domestic product (GDP) grew 2.1 percent in 1992, the highest rate since 1989. Growth accelerated in the second half, and in the fourth quarter of 1992, real GDP grew at an annual rate of 4.8 percent, its strongest showing in 5 years. The rise in GDP was led by gains in homebuilding, exports, and business spending on fixed investment. Consumer spending rose nearly 5 percent in the fourth quarter after rising almost 4 percent in the third quarter. Federal purchases of goods and services declined about 3 percent in the fourth quarter, the sixth decline in the past seven quarters.

### Employment Beginning To Gain Momentum

Job gains were marginal in 1992, as they have been throughout the recovery. From March 1991 through December 1992, jobs were up less than 0.5 percent, compared with nearly 7 percent at the same point in previous recoveries. But the jobs picture showed some signs of improvement in early 1993. The number of payroll jobs rose only slightly in January, but 365,000 jobs were added in February, more than were added in the second half of 1992. February's increase was the largest since January 1989. As a result, the unemployment rate fell to 7 percent in February, the lowest rate since November 1991.

Other employment-related data paint a more mixed picture. Increases in the number of part-time employees accounted for much of the employment gain in February. At the same time, factory overtime reached its highest level in at least 36 years. These indicators suggest that employers are somewhat cautious about bringing on new full-time employees, and that recent employment gains could be easily reversed. However, because increasing factory overtime further will be difficult, the data suggest that continued spending growth will lead to increased hiring.

### Autos Lead Pick-Up in Manufacturing Activity

Industrial production rose consistently from October 1992 through the early part of 1993. Production was up 2.6 percent from October to February, compared with an increase of only 1.3 percent for all of 1992. Much of the recent production increase occurred in motor vehicle and parts production, which rose almost 10 percent. Other industries have remained flat or declined; apparel production was largely unchanged, and production of defense and space equipment fell more than 3.5 percent.

Industrial capacity use has also been rising consistently since October. Production was 79 percent of capacity in October but rose to 79.9 percent in February, the highest rate in 18 months. Use still remains below the long-term (1967-92) average of 82 percent. Furthermore, capacity use was more than 4 percentage points below its July 1990 rate, when the recession began, and has only recovered about 1 percentage point since the recession's end in March 1991.

### Inflation Remains Low, Interest Rates Slide

The weak recovery has kept inflation low. Consumer prices rose only 2.9 percent from December 1991 to December 1992, the smallest annual increase since 1986, when energy prices fell dramatically. And core inflation, measured by increases in consumer prices, excluding food and energy, rose only 3.3 percent during the same period, the smallest increase in 20 years. Both the relatively high unemployment rate and the low capacity-use rate suggest that inflation will remain modest through 1993. Private forecasters expect inflation to remain around 3 percent during the year.

Low inflation and Federal Reserve attempts to mitigate the effects of the weakening economy helped drive down interest rates following the onset of the recession. Short-term interest rates declined nearly 2 percentage points during the recession. By the third quarter of 1992, yields on 3-month Treasury bills were hovering just above 3 percent, a decline of nearly 5 percentage points from the beginning of the recession. By March 1993, 3-month Treasury bills averaged just under 3 percent, the lowest rate in about 30 years.

Longer term interest rates did not fall as sharply as short-term rates through late 1992, but since then, they have begun to fall faster. Yields on 30-year Treasury bonds were 8.5 percent at the start of the recession and had only fallen to 8.3 percent by its end. In the third quarter of 1992, yields were down only about 1 percentage point from the start of the recession. However, they dropped sharply in early 1993, falling below 7 percent in mid-February, the lowest level since the Treasury began to issue these bonds regularly in 1977.

Several factors combined to promote declines in long-term rates early this year. The administration's deficit reduction proposals, along with increased calls for further Government spending cuts, have helped to reduce long-term rates by reducing expectations of the Government's future borrowing needs. Further, the Federal Reserve Board's continued commitment to controlling price increases has helped to lessen the threat of a resurgence in inflation. All factors considered, interest rates are expected to remain relatively unchanged during 1993.

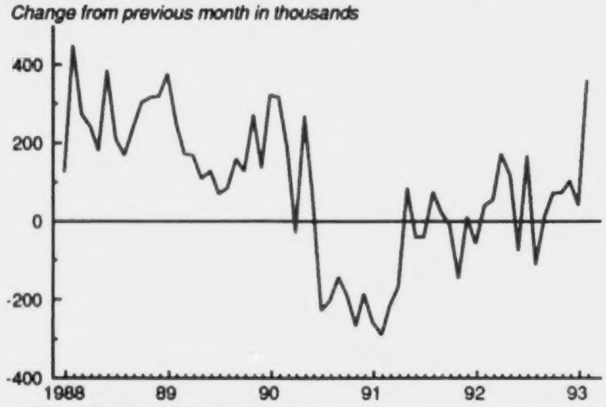
### The Outlook: Improving Growth and Employment

Most analysts are projecting a sustained improvement in GDP growth and employment during 1993, partly as a result of the declines that have already occurred in long- and short-term interest rates and continued low inflation. The proposed investment tax credit is expected to boost spending on new plant and equipment. Private forecasters predict real GDP will grow more than 3 percent in 1993, about 1 percentage point faster than in 1992.

Overall, the unemployment rate is expected to decline steadily through 1993, averaging about 0.5 percentage point below 1992's 7.3 percent. That rate would still be 1.4 percentage points above the 5.4-percent rate in July 1990. Strong business investment spending will likely lead to sustained growth in manufacturing employment. *[Based on data available through March 15, 1993. Jennifer L. Beattie and R. M. Monaco, 202-219-0782]*

**Change in nonfarm payroll jobs**

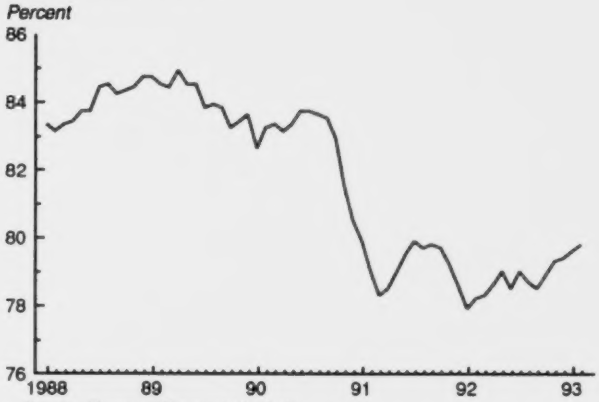
**Job growth in February was the largest in 4 years**



Source: Bureau of Economic Analysis.

**Capacity utilization rate**

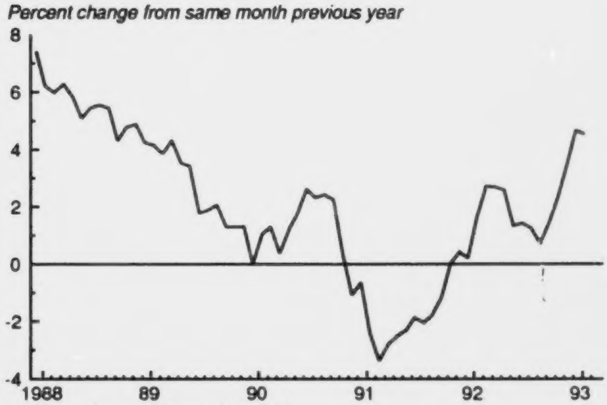
**Capacity use has recently risen, but remains well below its prerecession rate**



Source: Bureau of Economic Analysis.

**Change in industrial production**

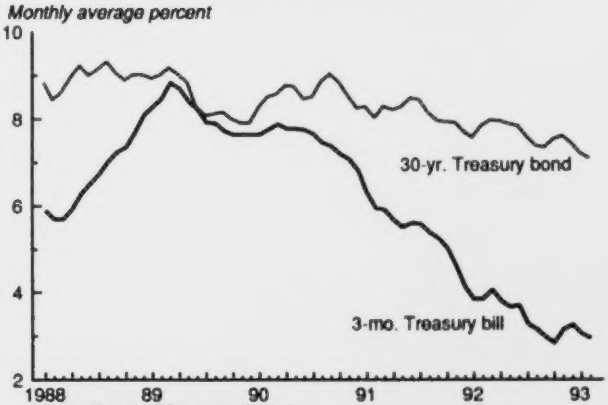
**Production rose strongly in the 5 months following October 1992**



Source: Bureau of Economic Analysis.

**Long- and short-term interest rates**

**Yields on 3-month Treasury bills and 30-year Treasury bonds reached 30- and 15-year lows early in 1993**



Source: Bureau of Economic Analysis.

# Rural Employment Picks Up in 1992

*Rural employment increased by 2.1 percent in 1992 as the economy slowly regained ground from the 1990-91 recession. This rural employment growth rate is the highest annual average increase since 1989. However, this rate is considerably lower than growth during the recovery from the 1981-82 recession. Urban employment growth, in contrast, was near zero in 1992 and showed little sign of recovery.*

Slow job growth has characterized the Nation's recovery from the recent recession. However, rural areas appear to be doing somewhat better than metro areas. A possible explanation for this pattern is that the 1990-91 recession more severely affected industries that are more concentrated in urban areas. Declines in construction, financial institutions, and defense-related industries may have hit urban areas harder than rural areas in this recession. Also, national employment data show that the 1990-91 recession had its greatest impact on the east and west coasts, which are highly urban.

Rural employment rose by 2.1 percent (up by 503,000 workers) between 1991 and 1992, according to annual data from the Current Population Survey (CPS). This gain followed a 1.1-percent decline in rural employment between 1990 and 1991. Urban employment grew at a much slower rate, increasing 0.2 percent (up by 218,000 workers) between 1991 and 1992, following a moderate 0.8-percent decline the previous year. Rural employment growth accounted for about 70 percent of national gains.

### Employment Growth Reflects Sluggish Recovery

Both rural and urban employment have recovered more slowly from the 1990-91 recession than they did from the 1981-82 recession. Seasonally adjusted data show rural employment increasing by 3.2 percent between the trough of the 1990-91 recession and the fourth quarter of 1992, the most recent quarter for which data are available. During the corresponding period of the recovery from the 1981-82 recession, rural employment increased 6.2 percent. Urban employment increased 0.2 percent between the trough of the 1991-92 recession and the fourth quarter of 1992; like rural employment, it rose 6.2 percent following the 1982 recession.

Continued declines in both defense-related industries and construction and slow growth in finance, insurance, and real estate may have held down urban employment during this recovery. Defense-related payroll employment declined 11 percent, construction declined 0.3 percent, and finance, insurance, and real estate grew by just 0.1 percent between the fourth quarters of 1991 and 1992. These industries make up a substantially larger proportion of employment in urban areas than in rural areas.

### Women and Middle-Age Workers Show Largest Gains in Employment

Rural employment increased for most major demographic groups between 1991 and 1992. Employment for rural women rose 2.3 percent compared with a 1.8-percent increase for men during this period. Employment for workers ages 35-54 grew by 3.4 percent, larger than for younger and older age groups. Employment for young workers ages 16-24 increased slightly by 1.1 percent and by 0.8 percent for persons in the 25-34 age group.

### Rural Employment-Population Ratio Slightly Changed

The proportion of the rural population with jobs was 58.9 percent in 1992, up slightly from a year earlier when 58.2 percent of the rural population was working. This rate is well below the peak in 1989 when 59.6 percent of the rural population was employed. In urban areas, 62.1 percent of the population was employed in 1992, down slightly from the previous year and well below 1989. *[Timothy S. Parker, 202-219-0541]*

## Employment change

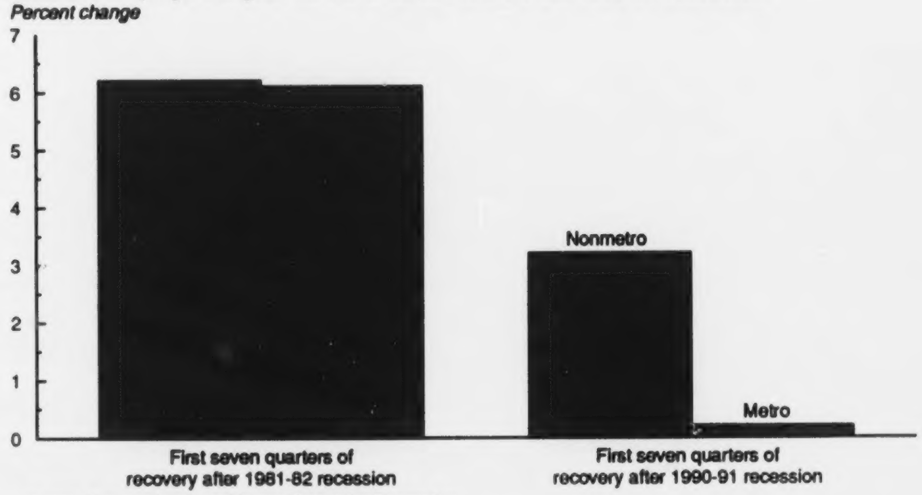
**Nonmetro employment outpaced metro in 1992**

| Area | 1987 | 1988 | 1989 | 1990 | 1991 | 1992 |
|---|---|---|---|---|---|---|
| | *Percentage change from previous year* | | | | | |
| United States | 2.6 | 2.2 | 2.1 | 0.5 | -0.9 | 0.6 |
| Nonmetro | .9 | 2.3 | 3.7 | .2 | -1.1 | 2.1 |
| Metro | 3.0 | 2.2 | 1.6 | .6 | -.8 | .2 |

Source: Current Population Survey.

## Employment change following 1981-82 and 1990-91 recessions

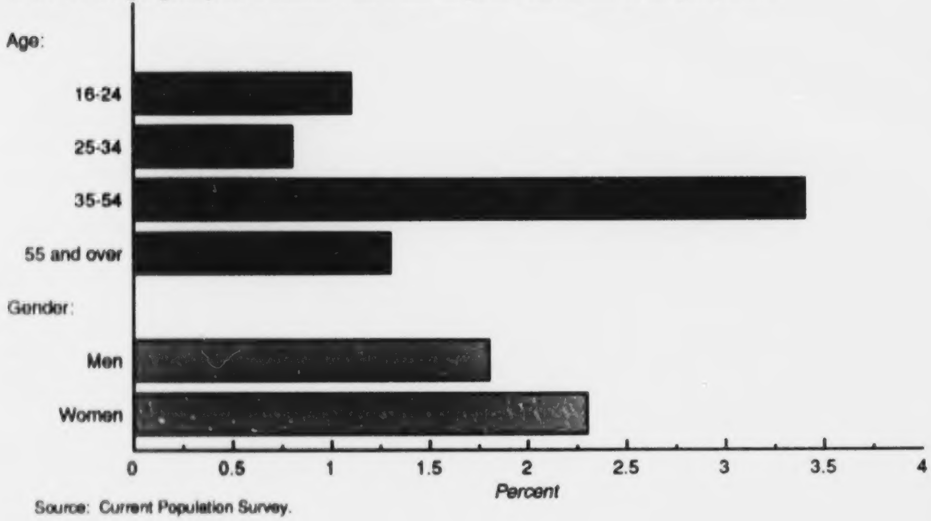
**Nonmetro employment grew faster than metro after the 1990-91 recession**



Source: Seasonally adjusted Current Population Survey data.

## Nonmetro employment change, 1991-92

**The 35-54 age group and women had the largest increases in employment**



Source: Current Population Survey.

# Rural Unemployment Finally Eases

*Rural unemployment fell from 7.5 percent in the third quarter of 1992 to 6.9 percent in the fourth quarter, while urban unemployment remained essentially unchanged at 7.5 percent. Rural unemployment rates fell more rapidly during the recovery that followed the 1981-82 recession, albeit from a much higher level.*

Unemployment continued to rise during much of 1992, despite the national economic recovery that officially began in March 1991. The combination of a weak rebound in sales and accelerated gains in labor productivity meant that increased production needs could be met with relatively little hiring. The delayed recovery of employment, in turn, kept unemployment rates high. Data for the fourth quarter of 1992 suggest that job opportunities are finally becoming more plentiful, particularly in rural areas.

The rural unemployment rate in the fourth quarter of 1992 was 6.9 percent, down from 7.5 percent in the third quarter, according to seasonally adjusted Current Population Survey (CPS) data. Urban unemployment was essentially unchanged, falling from 7.6 to 7.5 percent between the third and fourth quarters. Despite these improvements, both rural and urban unemployment remained well above their prerecession levels.

Rural unemployment has fallen more rapidly than urban because rural businesses have been quicker to expand their payrolls in response to the national economic recovery. As a result, the rural unemployment rate fell below the urban rate in 1992, reversing the relationship that held between 1980 and 1991. Rural unemployment has not fallen as much as employment has increased, however, because some of the new jobs have been filled by labor force entrants. As rural hiring quickened, the share of the adult population actively seeking work rose, consistent with the historical tendency of the labor force participation rate to increase during a recovery. Once urban employment begins to grow, the urban labor force will also probably swell.

### Historical Comparisons Indicate an Unusually Slow Recovery

The recent decline in rural unemployment compares favorably with the urban unemployment picture, but it is slow compared with the decline in unemployment that followed the 1981-82 recession. Unemployment data are now available for the first seven quarters of the current economic recovery, from the first quarter of 1991 to the fourth quarter of 1992. During this period, the rural unemployment rate fell by only 0.2 percentage point, from 7.1 to 6.9 percent. Rural unemployment fell by a much larger 2.8 percentage points in the first seven quarters of the recovery following the 1981-82 recession. Although unemployment fell more rapidly during the earlier recovery, rural unemployment began its descent from a much higher level.

The historical comparison is even more striking for urban areas. Urban unemployment fell by 3.4 percentage points in the first seven quarters of the recovery from the 1981-82 recession but increased by 1.2 percentage points during the corresponding phase of the current recovery. National data for early 1993 suggest that urban unemployment may finally have begun to fall.

### Discouraged and Involuntarily Part-Time Workers Also of Concern

Official unemployment rates may understate the full extent of employment difficulties because they omit individuals who want a job but have given up looking for work (discouraged workers) and those forced to accept part-time work. A more comprehensive measure of labor market slack is provided by the adjusted unemployment rate, which includes discouraged workers and half of those who work part time but want to work full time, in addition to the officially unemployed. Although official unemployment was lower in rural than in urban areas in the fourth quarter of 1992, discouraged and involuntarily part-time workers were more prevalent in rural areas. As a result, the 10.8-percent rural adjusted unemployment rate was slightly higher than the 10.6-percent urban adjusted rate.

Similar to the official unemployment rate, the rural adjusted unemployment rate fell in the fourth quarter of 1992 to essentially the same level as that in the first quarter of 1991, when the recovery began. In contrast, the adjusted unemployment rate for urban workers increased 1.5 percentage points over the first seven quarters of the recovery.

### Unemployment Highest for Young Workers and Minorities

The unemployment rates of rural 16- to 24-year-olds, Blacks, and Hispanics were all approximately twice the overall rural unemployment rate of 7.1 percent during 1992. Young and minority workers are also more likely than other workers to settle for part-time work schedules, despite wanting full-time jobs, or to give up looking for work altogether in the belief that jobs cannot be found. Thus, adjusted unemployment rates for young workers and minorities are even higher relative to other groups than are their conventionally defined (official) unemployment rates. *[Paul Swaim, 202-219-0552]*

## Unemployment in the first seven quarters of the most recent recoveries

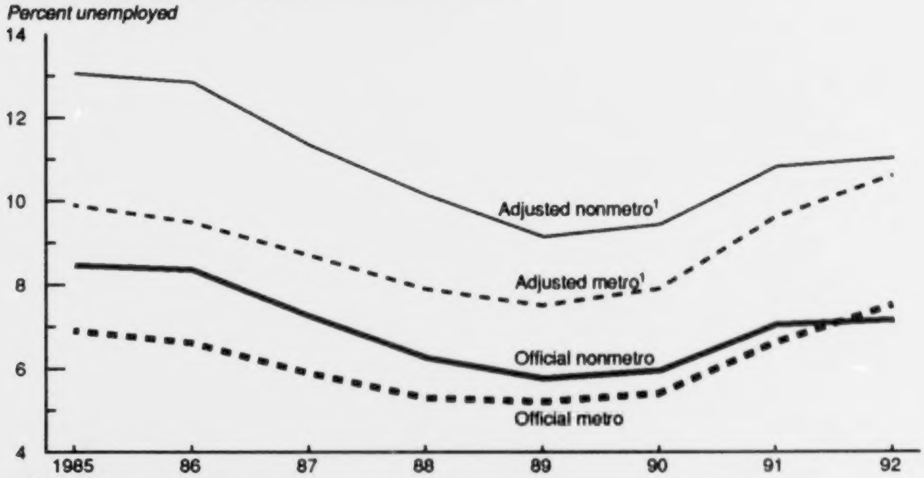
**Unemployment started higher but fell more rapidly in 1982-84 than in 1991-92**

| | Unemployment during the recovery from the 1981-82 recession | | | Unemployment during the recovery from the 1990-91 recession | | |
|---|---|---|---|---|---|---|
| Area | Fourth quarter 1982 | Third quarter 1984 | Change | First quarter 1991 | Fourth quarter 1992 | Change |
| | *-----Percent-----* | | *Percentage points* | *-----Percent-----* | | *Percentage points* |
| U.S. total | 10.6 | 7.5 | -3.1 | 6.5 | 7.3 | 0.8 |
| Metro | 10.6 | 7.2 | -3.4 | 6.3 | 7.5 | 1.2 |
| Nonmetro | 10.9 | 8.1 | -2.8 | 7.1 | 6.9 | -.2 |

Source: Current Population Survey.

## Annual average unemployment, 1985-92

**Metro unemployment surpassed nonmetro in 1992**

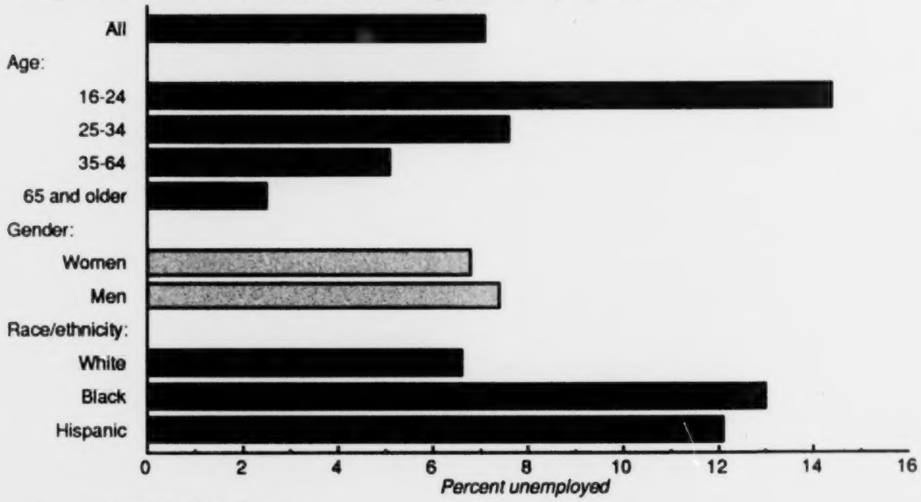


[1] Includes discouraged workers and half of workers employed part time for economic reasons.

Source: Current Population Survey.

## Nonmetro unemployment rates for demographic groups, 1992

**Young workers and minorities have the highest unemployment rates**



Source: Current Population Survey.

# Manufacturing Job Losses Concentrated in Urban Areas in 1990

*Rural industries were generally stronger entering the recent recession than they were entering either the 1981-82 or the 1980 recession. Urban manufacturing jobs were hit much harder than rural, the opposite of what happened going into the previous recession.*

The most current data on jobs by industry show that manufacturing job losses were concentrated in urban areas during 1990 as the business cycle peaked in July and the economy slipped into recession. The previous time the economy entered a recession, in 1981, rural manufacturing bore a disproportionately large share of job losses.

The number of manufacturing jobs in rural areas declined by 15,000 (0.3 percent) in 1990, less than half the 36,000 lost in 1981 and less than one-tenth the losses of 1980. In contrast, 247,000 jobs (1.6 percent) were lost in urban manufacturing during 1990 compared with a loss of 87,000 jobs in 1981. The 1990 job losses in rural manufacturing were only 6 percent of national manufacturing job losses compared with 30 percent in 1981 and 28 percent in 1980.

Urban construction jobs declined slightly in 1990, while the number of rural construction jobs increased. This is much different from the 1980 recession when rural construction was the hardest hit industry, losing 6.5 percent of jobs. And, it also differs from the beginning of the 1981-82 recession when rural construction jobs declined at about the same rate as urban construction jobs (-1.4 and -1.7 percent, respectively, during 1980-81).

Farming also lost jobs in 1990, and as was the case for each of the previous 6 years, farming shed more jobs than any other single industry. Farm job losses are not directly tied to the business cycle. Increased mechanization, poor weather conditions, farm consolidations, and poor financial conditions have all contributed to declining numbers of farm jobs from year to year and decade to decade.

### Rural Northeast Lost Jobs In 1990

Just as most rural industries were stronger entering the recent recession, the rural economies of most regions were stronger in 1990 than in the previous recessions. During 1990, the Northeast was the only region with a net job loss. In contrast, three regions, the Great Lakes, Plains, and Southeast, had net losses of rural jobs in both of the recessions during the 1980's. The rural Mideast joined those regions in net job loss during the 1980 recession, and the rural Far West joined them in losing jobs at the start of the 1981-82 recession. [Regions discussed here are those used by the Bureau of Economic Analysis (BEA), not the Bureau of the Census regions most often used in this report. See region definitions in Appendix.]

The number of rural jobs declined by 1.3 percent in the New England region in 1990, as construction, manufacturing, and retail industries all declined by 3.4 percent or more. The Great Lakes, Plains, and Southeast regions account for over three-quarters of rural manufacturing jobs so the relatively moderate manufacturing job losses in 1990 help explain their better job performance compared with 1980 and 1981. In 1990, the number of jobs in each of those regions grew by over 1 percent, adding a total of 65,000 jobs. In contrast, they lost nearly 58,000 jobs in 1981 and 189,000 in 1980.

### 1991 Data Will Tell the Whole Story

We won't know how rural industries fared throughout the entire recession until data for 1991 become available later this year. However, the fact that most rural industries, particularly construction and manufacturing, were less affected than urban industries during the first 6 months of the recession at least partially explains why the 1990-91 recession was not disproportionately rural. *[G. Andrew Bernat, Jr., 202-219-0539]*

## Job change by industry during recession years

**Nonmetro construction jobs increased at the start of the 1990-91 recession, contrasting with job losses during the previous two recessions**

| Industry | 1989-90 Nonmetro | 1989-90 Metro | 1980-81 Nonmetro | 1980-81 Metro | 1979-80 Nonmetro | 1979-80 Metro |
|---|---|---|---|---|---|---|
| | | | *Percent* | | | |
| All industries | 1.5 | 1.3 | 0.1 | 1.2 | -0.5 | 0.8 |
| Farming | -1.7 | -2.8 | -3.2 | -3.7 | -1.3 | .2 |
| Agricultural services[1] | 2.8 | 2.6 | -.3 | 3.7 | 4.1 | 6.1 |
| Mining | 2.1 | .4 | 8.3 | 17.1 | 7.8 | 12.8 |
| Construction | 2.2 | -.2 | -1.4 | -1.7 | -6.5 | -3.9 |
| Manufacturing | -.3 | -1.6 | -.8 | -.5 | -4.4 | -3.1 |
| Transportation[2] | 2.0 | 2.9 | .8 | .7 | .9 | .5 |
| Wholesale trade | -.7 | -1.1 | .8 | 1.7 | -.3 | 1.4 |
| Retail trade | 1.6 | .3 | .8 | 1.3 | -.3 | .6 |
| Finance[3] | 1.4 | .7 | 2.4 | 2.8 | 4.4 | 3.6 |
| Services[4] | 3.5 | 3.8 | 2.3 | 3.6 | 1.6 | 3.7 |
| Government | 2.1 | 1.9 | -1.2 | -.7 | 1.3 | 1.4 |

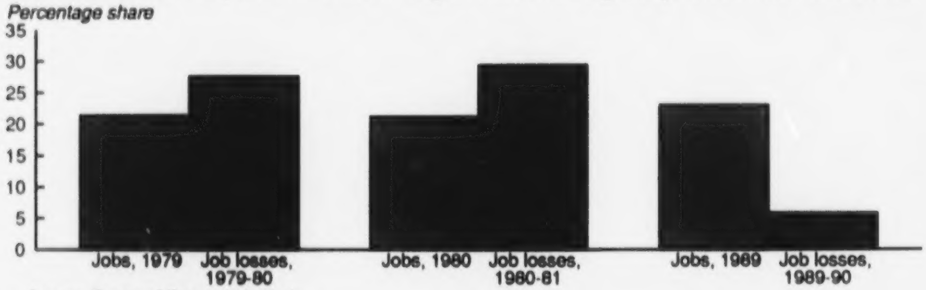
Note: Both the 1990-91 and 1981-82 recessions started in July of the initial year, making 1989-90 and 1980-81 changes show the same period at the start of those recessions. However, 1980 also included a recession from January to July, meaning declines in some industries had already been quite deep from 1979 to 1980.

[1] Includes forestry and fishing. [2] Includes communications and public utilities. [3] Includes insurance and real estate. [4] Includes health, legal, educational, recreational, business, repair, and personal services.

Source: Bureau of Economic Analysis.

## Nonmetro share of manufacturing jobs and job losses during recession years

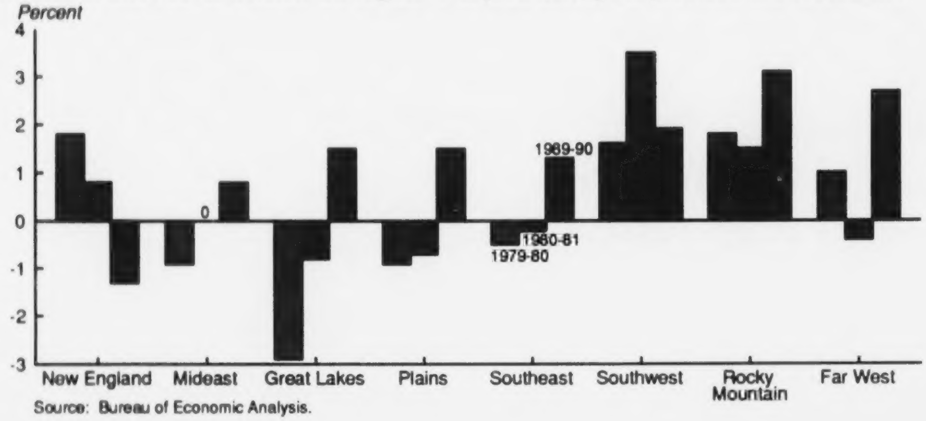
**The nonmetro share of manufacturing job losses was small at the start of the most recent recession compared with much larger shares during the previous two recessions**



Source: Bureau of Economic Analysis.

## Nonmetro job change by region during recession years

**Only nonmetro areas in the New England region lost jobs at the start of the recent recession while several nonmetro regions lost jobs during the previous two recessions**



Source: Bureau of Economic Analysis.

# Earnings per Job Declined in 1990

*Rural earnings declined and remained lower than urban earnings across all regions in 1990. Although many factors affect earnings, the start of the recession in 1990 apparently did not have as severe an effect on rural earnings as the previous two recessions did.*

For the first time since 1982, rural and urban earnings per job declined simultaneously from 1989 to 1990. Real rural earnings per job declined by 0.9 percent from $19,437 to $19,253 (in 1990 dollars) while urban earnings fell 0.5 percent from $26,052 to $25,927.

The 0.9-percent decline in rural earnings at the onset of the 1990-91 recession differs from changes in rural earnings during the 1980 recession and the start of the 1981-82 recession. Rural earnings per job declined 5.7 percent during the proclaimed "mild" recession of 1980. Rural earnings then increased 0.5 percent in 1981 at the start of the "deep" 1981-82 recession, fell 3.1 percent in 1982 as that recession bottomed out, and continued to fall in 1983 as rural areas began their slow recovery.

Earnings per job changes are not always in the same direction as employment and gross domestic product changes, which are typical indicators of recessions. We measure change in real (constant) dollars to control for inflation. In years when earnings growth lags the inflation rate, regardless of the point in the business cycle, real earnings decline. And, in years when earnings grow faster than inflation, real earnings increase. Other changes in earnings come about in many ways that may either precede or follow a recession. For example, earnings may fall prior to employment changes because firms may first seek labor concessions in the form of reduced wages and benefits. However, average earnings may not change as drastically as employment if firms need to abide by compensation packages laid out in labor contracts. If employers substitute part-time for full-time workers, the number of jobs may not change much but average earnings per job will fall. And, the earnings effects of recession depend on which industries' jobs are most affected. If high-wage industries are hit harder, average earnings fall; if low-wage industries are hit harder, average earnings rise.

### Construction Earnings Fall, Retail Trade and FIRE More Stable

Real earnings per rural construction job declined from $22,578 to $21,263 (5.8 percent) from 1989 to 1990, the largest decline of any industry. The previous article (p. 10) showed that the number of rural construction jobs increased during 1990. The declining average earnings in construction suggest that the increase was disproportionately in part-time jobs or jobs paying lower than the average construction wage.

Of service-oriented sectors, both retail trade and the finance, insurance, and real estate (FIRE) industries experienced greater declines in real earnings in rural than urban areas at the onset of the two earlier recessions. Not only did these industries not suffer as much in rural areas as in urban between 1989 and 1990, but real earnings in rural FIRE grew slightly. Trends during 1979-90 reveal that the 1980 and 1981-82 recessions appear to have induced major structural change in the rural portions of these industries. Both experienced severe declines in average earnings per job over the past decade (21.1 percent for retail trade and 26.3 percent for FIRE). Both industries may have moved toward employing larger shares of low-wage, part-time workers.

### Earnings Declined in All Rural Regions

At the start of the 1990-91 recession, real earnings per job declined in rural areas of all regions. [The regions discussed here are those used by the Bureau of Economic Analysis (BEA), not the Bureau of the Census regions most often used in this report.] Declines of more than 1 percent in real earnings per job hit rural portions of the Great Lakes, New England, Rocky Mountain, and Far West regions. Earnings in those rural regions along with the rural Mideast also declined at the start of the 1981-82 recession. The large declines in rural earnings in the heavily agricultural Southwest, Southeast, and Plains States in 1980 likely reflect the poor agricultural conditions of 1980. And, the large increases in average earnings in those regions at the start of the 1981-82 recession likely reflect the rebound of farm earnings in 1981.

### Urban Earnings Premium Continues

Urban jobs continue to yield earnings that are about 25 percent higher than rural earnings. This urban earnings premium varied widely by industry. The urban earnings premium was lowest in farming, where average rural earnings were 92 percent of those in urban areas. The highest was in FIRE where average rural earnings were only 50.6 percent of their urban counterparts. The high urban earnings premium in this industry likely is due to the rural concentration of low-wage, part-time jobs and the urban concentration of high-paid occupations (such as, financial officers, underwriters, accountants, and sales people).

The urban earnings premium also varied somewhat by region. Regions with relatively high proportions of their populations in rural areas (the Southeast, Southwest, and Rocky Mountain States) had rather low earnings premiums. The lowest was in the Rocky Mountain region where average rural earnings were 84.1 percent of average urban earnings. Two of the more urbanized regions, New England and the Mideast, had the largest urban earnings premiums. The urban earnings premium in the Mideast region was highest, where rural earnings were only 70.7 percent of those in urban areas. *[Michael L. Lahr, 202-219-0539]*

### Earnings per job by industry

**Earnings fell more in nonmetro construction than in any other industry at the start of the 1990-91 recession**

| Industry | 1990 earnings |  |  | Change in real nonmetro earnings per job[1] |  |  |  |
|---|---|---|---|---|---|---|---|
|  | Nonmetro | Metro | Nonmetro/ metro ratio | 1989-90 | 1980-81 | 1979-80 | 1979-90 |
|  | ------*Dollars*------ |  | ----------*Percent*---------- |  |  |  |  |
| All industries | 19,253 | 25,927 | 74.3 | -0.9 | 0.5 | -5.7 | -7.2 |
| Farming | 18,710 | 20,335 | 92.0 | -2.0 | 31.2 | -38.5 | 6.9 |
| Agricultural services[2] | 13,467 | 15,482 | 87.0 | .2 | -11.5 | -17.4 | -27.9 |
| Mining | 34,837 | 41,687 | 83.6 | 2.4 | -.2 | 2.3 | -10.9 |
| Construction | 21,263 | 29,082 | 73.1 | -5.8 | -8.1 | -2.1 | -25.2 |
| Manufacturing | 24,626 | 35,095 | 70.2 | -1.0 | -.1 | -.6 | -4.1 |
| Transportation[3] | 30,349 | 34,909 | 86.9 | -2.4 | -.2 | -2.3 | -7.6 |
| Wholesale trade | 23,014 | 34,058 | 67.6 | -.1 | -5.4 | -.5 | -10.6 |
| Retail trade | 11,583 | 14,331 | 80.8 | -1.5 | -4.1 | -7.2 | -21.1 |
| Finance[4] | 12,596 | 24,884 | 50.6 | .5 | -7.6 | -15.3 | -26.3 |
| Services[5] | 17,366 | 24,882 | 69.8 | .7 | -1.6 | .9 | 8.8 |
| Government | 20,586 | 26,558 | 77.5 | -0 | 2.1 | -1.1 | 7.7 |

-0 = Less than 0.1-percent decline.

[1] All years' earnings converted to 1990 dollars. [2] Includes forestry and fishing. [3] Includes communications and public utilities. [4] Includes insurance and real estate. [5] Includes health, legal, educational, recreational, business, repair, and personal services.

Source: Bureau of Economic Analysis.

### Earnings per job by region

**Nonmetro earnings fell in all regions in 1990, but not as much as during the 1980 recession**

| Region | 1990 earnings |  |  | Change in real nonmetro earnings per job[1] |  |  |  |
|---|---|---|---|---|---|---|---|
|  | Nonmetro | Metro | Nonmetro/ metro ratio | 1989-90 | 1980-81 | 1979-80 | 1979-90 |
|  | ------*Dollars*------ |  | ----------*Percent*---------- |  |  |  |  |
| United States | 19,253 | 25,927 | 74.3 | -0.9 | 0.5 | -5.7 | -7.2 |
| New England | 20,451 | 27,563 | 74.2 | -1.2 | -1.7 | -3.3 | 3.1 |
| Mideast | 20,547 | 29,051 | 70.7 | -.7 | -1.2 | -3.3 | -3.4 |
| Great Lakes | 19,598 | 26,016 | 75.3 | -2.0 | -1.2 | -6.5 | -11.2 |
| Plains | 18,114 | 23,964 | 75.6 | -0 | 4.8 | -11.9 | -10.6 |
| Southeast | 18,586 | 22,871 | 81.3 | -.8 | .8 | -4.5 | -3.4 |
| Southwest | 19,514 | 24,192 | 80.7 | -.3 | 2.5 | -6.1 | -9.0 |
| Rocky Mountain | 19,248 | 22,895 | 84.1 | -1.3 | -.7 | -.7 | -11.0 |
| Far West | 21,663 | 27,215 | 79.6 | -1.6 | -4.3 | -2.3 | -12.3 |

-0 = Less than 0.1-percent decline.

[1] All years' earnings converted to 1990 dollars.

Source: Bureau of Economic Analysis.

# Rural Household Income Stagnates

*The rural-urban household income gap narrowed slightly in 1991. Rural median household incomes were lowest for minorities, families headed by women, and nonfamily households.*

The disparity between rural and urban incomes persisted through 1991, according to the latest Current Population Survey (CPS) data. For the past 5 years, rural median household income has been about 25 percent below the urban median income. Declining income for urban households, however, narrowed the gap slightly in 1991.

**Rural Income Stable, Urban Income Declines**

There was essentially no difference in the rural real median household income of 1990 and the 1991 value of $24,691. In fact, rural median household income has stayed roughly between $24,500 and $24,700 in 1991 dollars since 1987. For the second consecutive year, however, urban median household income declined. A sharp drop of 3.6 percent ($1,200 in 1991 dollars) in urban median income from 1990 to 1991, combined with stable rural median income, resulted in the smallest rural-urban income gap in recent years. This gap, however, is still wider than the rural-urban disparity of a decade earlier. Although changes in the designation of metro and nonmetro areas in CPS data in the early 1980's complicate comparisons of recent income gaps with those of earlier years, other sources support these observations. Analysis of data from the decennial censuses of 1970, 1980, and 1990, which use a consistent nonmetro definition, also shows that the metro-nonmetro income gap narrowed between 1970 and 1980 and widened again by 1990.

Although household incomes did not significantly change for any of the major racial or ethnic groups in rural areas between 1990 and 1991, rural Blacks continue to have the lowest incomes. In 1991, rural Black median household income was little more than half that of rural Whites, and more than 60 percent below that of urban Whites. Moreover, the median income of rural Black households was about 35 percent less than urban Blacks' median income. This rural-urban income gap is the largest of any group.

The disparity in household income also differs by region. The differential was largest in the South, where rural median household income was 27 percent lower than urban median income. In contrast, rural households in the Northeast had the highest incomes, only about 14 percent lower than the region's urban household median income.

**Type of Household an Important Factor**

Household structure influences income opportunities and constraints. For example, married-couple families have the highest median household income of any household type, rural or urban, because they are more likely to have two earners. In contrast, many female family householders are caring for children and have low-paying or no jobs, resulting in a low median income for this household type. The absence of multiple earners corresponds to lower median incomes for nonfamily households. Nonfamily households include both single-person units and unrelated people living together.

Rural residents are more likely than their urban counterparts to be members of family households in general, and married-couple families in particular. The rural-urban income gap persists, however, even after the differences in household type are taken into account. The gap was largest for nonfamily households, which in rural areas are more likely to include women and older persons. Family households headed by women had the smallest gap between rural and urban median incomes (at 22 percent) and the lowest income of any family household type.

The gap between rural and urban household incomes most likely narrowed slightly in 1992. Income estimates for 1992 will not be available until this fall, but the 1992 rural unemployment rate was lower than the urban rate. This factor, together with stable rural household income during the last 2 recessionary years, suggests a contracting rural-urban income gap in 1992. *[Kathleen Kassel, 202-219-0536]*

## Median household income by race and ethnicity

**Black households have the lowest nonmetro income and widest income gap compared with their metro counterparts**

| Race/ethnicity | 1991 household income: Nonmetro | 1991 household income: Metro | Nonmetro-metro gap[1] | Change, 1990-91: Nonmetro | Change, 1990-91: Metro |
|---|---|---|---|---|---|
| | *Dollars* | | *Percent* | | |
| Total | 24,691 | 31,975 | 22.8 | -0.1 | -3.6 |
| White | 25,804 | 33,988 | 24.1 | -.5 | -2.5 |
| Black | 13,120 | 20,211 | 35.1 | -4.0 | -3.6 |
| Hispanic[2] | 19,354 | 23,052 | 16.0 | 1.0 | -2.7 |

Note: Nonmetro-metro difference is statistically significant in each category. Change in household income from 1990 to 1991 is only significant for total and White households in metro areas.

[1] Percent by which nonmetro income is lower than metro.

[2] Hispanics may be of any race.

Source: Current Population Survey.

## Median household income by household type

**Married-couple households have the highest income in both metro and nonmetro areas**

| Household type | 1991 household income: Nonmetro | 1991 household income: Metro | Nonmetro-metro gap[1] |
|---|---|---|---|
| | *Dollars* | | *Percent* |
| Family households | 29,459 | 38,921 | 24.3 |
| Married-couple | 32,185 | 44,275 | 27.3 |
| Male householder only | 23,923 | 33,246 | 28.0 |
| Female householder only | 14,709 | 18,964 | 22.4 |
| Nonfamily households | 12,409 | 19,556 | 36.5 |

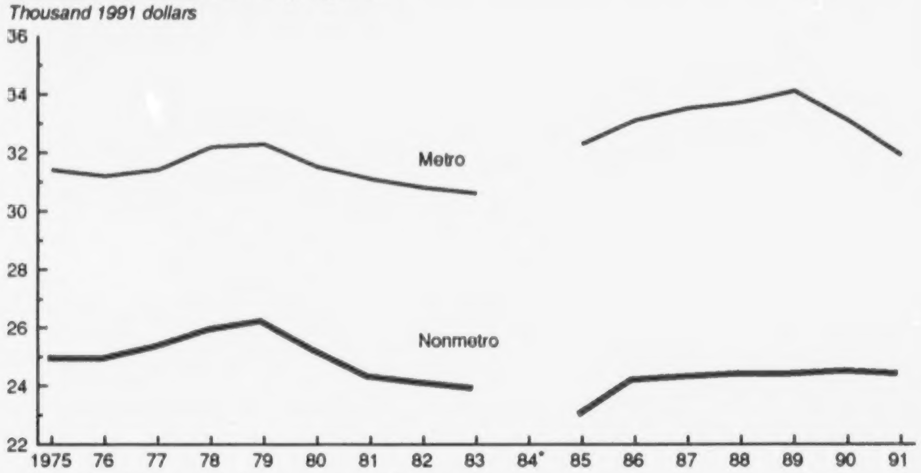
Note: Nonmetro-metro difference is statistically significant in each category.

[1] Percent by which nonmetro income is lower than metro.

Source: Current Population Survey.

## Real median household income, 1975-91

**The nonmetro-metro income gap converged in 1991, but the margin was still wider than in the late seventies and early eighties.**



*Data not available for 1984. Metro-nonmetro definition changed.

Source: Current Population Survey.

# Rural Poverty Rate Stable, but Still Higher Than Urban

*The rural poverty rate remains higher than in urban areas, despite an increase during 1991 in the urban poverty rate. Families headed by women with children, an increasing proportion of all families, have the highest poverty rate of all family types in both rural and urban areas. For all groups at high risk of being poor, the rural poverty rate is greater than the urban rate.*

The poverty rate in rural areas remained stable between 1990 and 1991, while the urban rate increased. Even with the urban increase, the rate of rural poverty of 16.1 percent was still significantly higher than the 13.7-percent urban poverty rate. The poverty rate has been higher in rural areas than in urban since 1959, the first year for which poverty data are available using the official Government definition. The gap between rural and urban rates narrowed substantially in the 1960's and 1970's, but has not narrowed appreciably since 1980. Over half (53 percent) of the nonmetro poor live in the South, a disproportionate concentration compared with the South's 43 percent of the total nonmetro population.

Family households headed by married couples constitute the majority (52 percent) of rural families in poverty. Married-couple households do not have a higher poverty rate in rural areas than other household types, but married-couple families are more prevalent in rural areas across all income groups.

Families headed by women have the highest poverty rate of all family types. The poverty rate increased significantly between 1990 and 1991 for families headed by women, but not for families headed either by married couples or by men.

### Families Headed by Women Have Higher Poverty Rate in Rural Areas

A higher percentage of families headed by women are poor in rural areas (39.2 percent) than in urban areas (34.8 percent). Poverty rates are higher for families with children under age 18, particularly for those headed by women. Half (50.1 percent) of all families headed by women with children live in poverty in rural areas. One of the strongest factors in the high poverty rate of such families is the difficulty, given women's lower average wages, of finding a job that earns enough money to pay for child care and supporting a family.

### Black Poverty Similar in Rural and Central City America

Despite the attention given to inner city poverty among Blacks, the 1991 poverty rate for Blacks living in rural areas (35.8 percent) was comparable with the rate for Blacks living in central cities (32.9 percent). More than two-thirds (67.2 percent) of rural Blacks living in households headed by women and supporting minor children were poor, a poverty rate again similar to that of their central city counterparts (63.6 percent).

### Working Poor More Likely To Live in Rural Areas

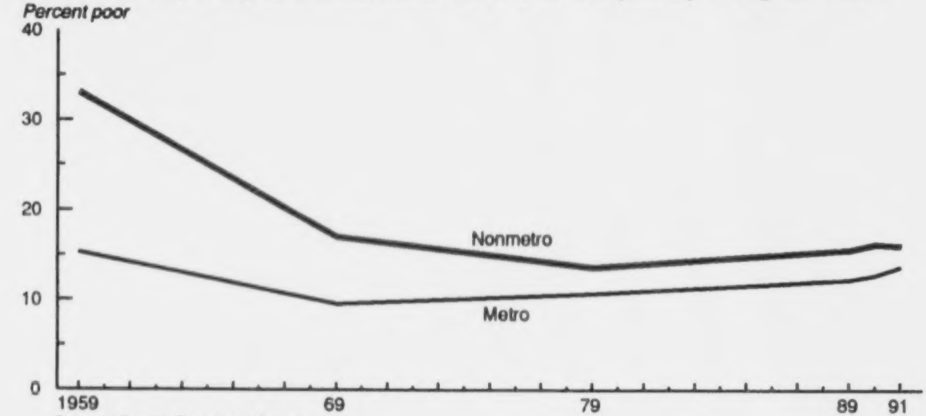
The prevalence of low-skill, low-paying jobs in rural areas is the likely cause of the higher rural share of the poor who work at full-time, full-year jobs. Although 25 percent of the Nation's poor live in rural areas, about 30 percent of the poor who are full-time, full-year workers live in rural areas.

### Cash Assistance Less Likely To Go to Rural Residents

Most cash assistance programs do not pay benefits to families with working members. The larger proportion of workers among the rural poor may be part of the explanation for the smaller proportion of those receiving cash assistance who live in rural areas (one-fifth) than would be expected, given that one-fourth of the poor live in rural areas. The rural poor are also concentrated in States that pay lower Aid to Families with Dependent Children benefits than the national average, do not supplement Federal Supplemental Security Income payments for the aged, blind, and disabled, and run restrictive General Assistance programs, if any. Only about 16 percent of the total value of cash assistance received in 1991 went to rural residents. *[Linda Swanson, 202-219-0535]*

## Poverty rates, 1959-91

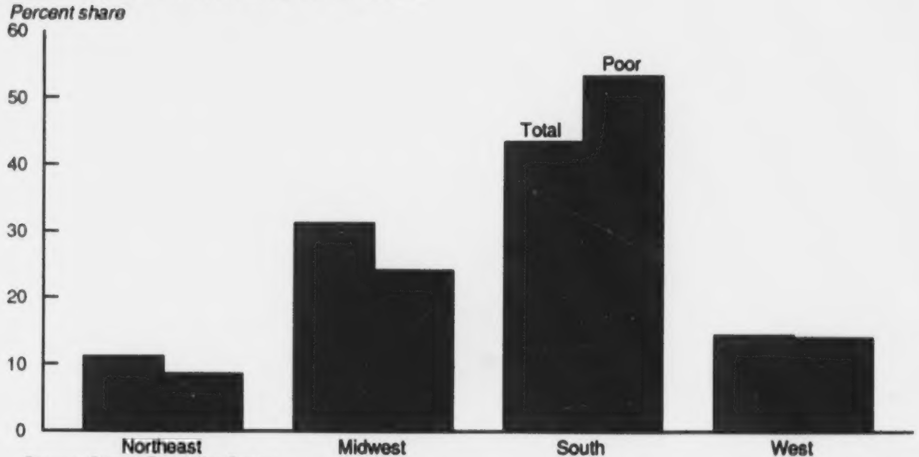
**Nonmetro-metro poverty differential narrowed over time, especially during the 1960's**



Source: Current Population Survey.

## Regional shares of nonmetro population and nonmetro poor

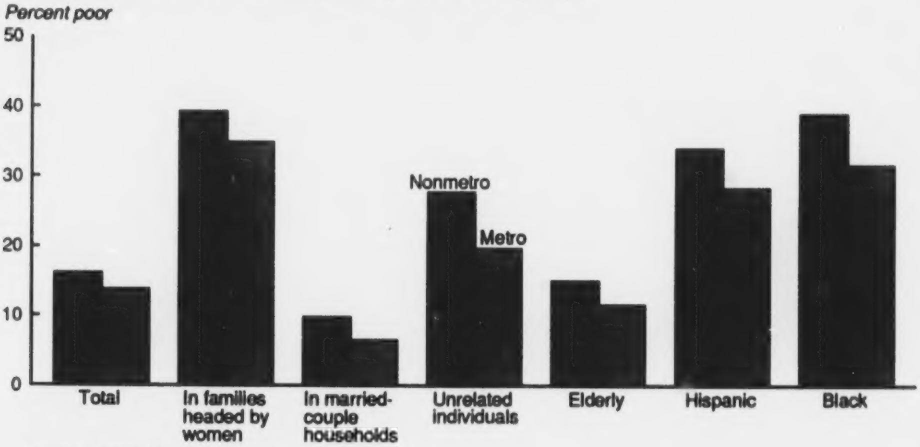
**Nonmetro poor concentrated in the South**



Source: Current Population Survey.

## Poverty rates by population group, 1991

**Nonmetro residence increased poverty risk for all groups**



Source: Current Population Survey.

# Rural Health Insurance Coverage Differs From Urban

*Rural and urban residents under age 65 were equally likely to be covered by health insurance by 1991, but rural residents continued to have less access to employment-related and Medicaid coverage.*

The lack of health insurance coverage for many Americans became an important issue in the 1992 elections. New measures to extend coverage to the uninsured are under consideration. Most of the uninsured are working-age adults and children because virtually all of the elderly age 65 or older are protected by the Medicare program. The uninsured have less access to health care than other Americans, and much of the cost of their care is shifted to community hospitals.

**Urban-Rural Gap in Health Insurance Coverage Closes**

The most recent data from the Current Population Survey (CPS) indicate that 83 percent of the rural nonelderly and 84 percent of the urban nonelderly were covered by some type of health insurance in 1991. The urban coverage rate has declined but the rural rate has remained essentially constant since 1987. The urban-rural gap in coverage finally closed in 1991 when the difference in estimated rates ceased to be significant.

**Rural Workers Less Likely To Obtain Coverage Through Employment**

Most of the nonelderly insured had coverage provided through employers or unions for active and retired workers and their families, but employment-related coverage was less common in rural areas. Rural workers were more likely to be employed by small firms than urban workers, and small firms were much less likely to offer health benefits than large firms. The coverage of small-firm workers has declined in urban areas but remained constant in rural areas since 1987, partly accounting for the divergent trends in the overall coverage rates. Many States have recently adopted measures to improve access to health insurance for small businesses, including regulatory reforms, financial subsidies, and the formation of "risk pools" of uninsured individuals and companies, but the new measures have yet to increase the coverage rate among small-firm workers.

**Fewer Rural Poor Eligible for Medicaid Coverage**

Medicaid enrollment has grown rapidly since the late 1980's, partly because of legislation expanding the eligible population. By 1991, 12 percent of the rural nonelderly and 11 percent of the urban nonelderly had Medicaid coverage. Although the overall coverage rate remained higher in rural areas, the rural poor were actually less likely to be covered than the urban poor for two reasons. Poor families with children in rural areas were more likely to have working members, limiting their eligibility for the program. Rural States also tended to have more restrictive eligibility criteria than urban States.

**Rural Residents More Likely To Purchase Other Private Coverage**

The rural nonelderly were more likely to purchase other types of private coverage outside the workplace than the urban nonelderly, partially compensating for their poorer access to employment-related and Medicaid coverage. Much of this coverage consisted of individual or family policies, which tended to provide less protection against high medical expenses than the group policies obtained through employment. As a result, a higher proportion of rural than urban residents may have been underinsured. *[Paul D. Frenzen, 202-219-0540]*

## Health insurance coverage for persons under age 65

**Most persons under age 65 had employment-related coverage provided through employers or unions**

| Insurance status | 1987 | | 1991 | |
|---|---|---|---|---|
| | Nonmetro | Metro | Nonmetro | Metro |
| | *Percent* | | | |
| Any coverage | 83.8* | 86.0 | 83.4 | 84.2 |
| Employment-related | 60.2* | 67.2 | 60.1* | 63.4 |
| Other private | 11.5* | 7.9 | 9.5* | 7.6 |
| Medicaid | 9.3* | 8.2 | 11.7* | 10.7 |
| Other public | 5.6 | 5.3 | 5.9* | 4.8 |
| No coverage | 16.2* | 14.0 | 16.6 | 15.8 |

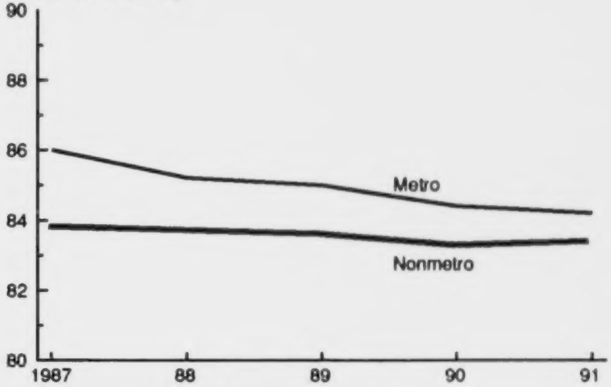
Note: The different categories of coverage do not add to 100 percent because some persons had more than one type of coverage during the year.

* = Difference between metro and nonmetro rates is statistically significant.

Source: Current Population Survey.

## Health insurance coverage

**Metro-nonmetro gap in overall coverage closed in 1991**

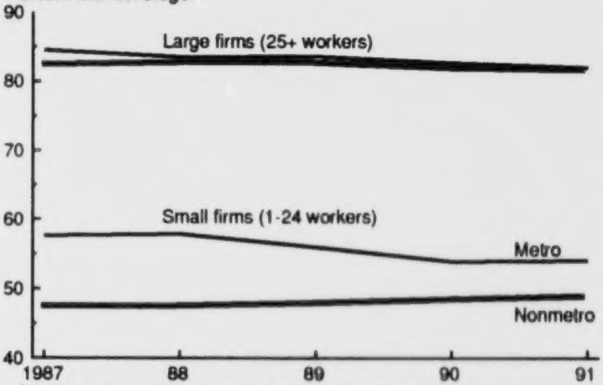


[1] Persons under age 65. Metro-nonmetro coverage gap was statistically significant from 1987 to 1990.

Source: Current Population Survey.

## Employment-related coverage of workers

**Small-firm workers had lower coverage rate than large-firm workers**

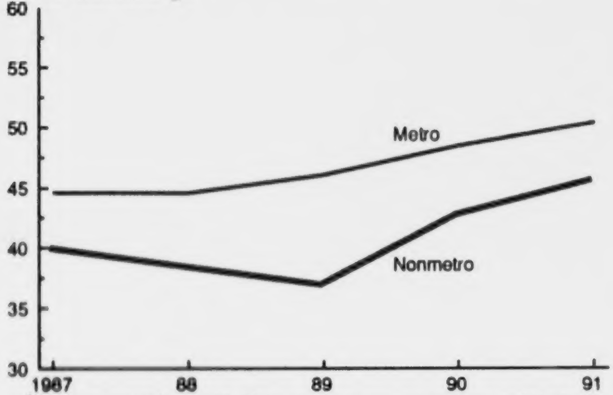


[1] Workers ages 18-64 with one employer during year. Metro-nonmetro coverage gap was statistically significant for large-firm workers in 1987 and for small-firm workers in all years shown.

Source: Current Population Survey.

## Medicaid coverage of the poor

**Coverage rose, but remained lower in nonmetro areas**



[1] Poor persons under age 65. Metro-nonmetro coverage gap was statistically significant in all years shown.

Source: Current Population Survey.

## Data Sources

**Macroeconomic conditions:** The economic indicators used to monitor macroeconomic changes in the U.S. economy are derived from Federal sources. Measures of inflation, including the Consumer and Producer Price Indexes, and employment and unemployment data are developed by the U.S. Department of Labor's Bureau of Labor Statistics (BLS). National income and product account information on capital investment, gross domestic product, and net exports is produced by the Bureau of Economic Analysis (BEA), U.S. Department of Commerce. Information relating to monetary policy, including changes in interest rates and foreign exchange rates, and data on industrial production are furnished by the Federal Reserve Board of Governors.

**Employment and earnings data:** Data on nonmetro employment, unemployment, and earnings come from three sources. The monthly Current Population Survey (CPS), conducted by the Bureau of the Census for the U.S. Department of Labor, provides detailed information on the labor force, employment, unemployment, and demographic characteristics of the metro and nonmetro population. CPS derives estimates based on a national sample of about 58,000 households that are representative of the U.S. civilian noninstitutional population 16 years of age and over. Labor force information is based on respondents' activity during 1 week each month.

BLS county-level employment data are taken from unemployment insurance claims and State surveys of establishment payrolls which are then benchmarked to State totals from the CPS. Thus, at the national and State levels, annual average BLS and CPS estimates are the same. The BLS data series provides monthly estimates of labor force, employment, and unemployment for individual counties.

BEA employment data, unlike the household data collected by the CPS and BLS, provide establishment data on the number of jobs rather than the number of workers. The BEA data are taken primarily from administrative reports filed by employers covered under unemployment insurance laws and from information from the Internal Revenue Service and the Social Security Administration. Thus, jobs and earnings for these jobs are counted at the place of work and are based on a virtual universal count rather than a sample. The BEA data provide detailed information on the number of jobs and amount of earnings by industry at the county level. A shortcoming of the BEA data is the 2-year lag between when they are collected and when they are available for analysis.

Each of these data sets has its advantages and disadvantages. CPS furnishes detailed employment, unemployment, and demographic data for metro and nonmetro portions of the Nation. The BEA provides estimates of the number of jobs and earnings by industry for individual county areas. BLS provides less detailed employment data than CPS, but offers very current employment and unemployment information at the county level. While these data sources are likely to provide different estimates of employment conditions at any point in time, they generally indicate similar trends.

**Health insurance coverage:** The health insurance data described in this issue were obtained from the March supplement of the CPS. The CPS determined health insurance status by asking whether household members were covered by specified types of coverage at any time during the previous calendar year. Therefore, CPS estimates of the number of insured tend to exceed independent estimates of the number covered at one point in time. The analysis was limited to the civilian noninstitutional population under age 65. The analysis of workers with employment-related coverage was limited to those with only one employer during the year because the CPS inquired about firm size only in the case of the longest job.

**Income and poverty data:** Each March, supplemental questions are added to the CPS to obtain information on money income and poverty status of families and persons in the United States during the previous year. Data are collected for the amount and sources of income, including wage and salary earnings, self-employment income, and transfer payments. Information on family size and income is used to estimate the number of families and individuals in poverty based on official guidelines issued by the Office of Management and Budget. Demographic data are available to examine the distribution of income and the characteristics of the poverty populations in metro and nonmetro areas.

## Definitions

Throughout ***Rural Conditions and Trends***, we use "rural" and "nonmetro" interchangeably. The same holds for "urban" and "metro." However, in tables we use "nonmetro" and "metro," the original and more accurate terms used in the data sources.

**Adjusted unemployment rate:** The number of unemployed people, discouraged workers who have given up looking for work, and half of the workers who work part time but want full-time work as a percentage of the civilian labor force plus discouraged workers.

**Civilian labor force:** Noninstitutional civilians age 16 or older who are either employed or unemployed. Individuals who are neither employed nor unemployed are out of the labor force.

**Consumer Price Index (CPI):** A measure of the average price level of a basket of consumer goods and services at the retail level for a specific period compared against a benchmark period.

**Family:** Two or more people residing together who are related by birth, marriage, or adoption.

**Foreign exchange rate:** The rate at which one currency is traded for another. The Federal Reserve publishes a measure of the overall foreign exchange rate of the U.S. dollar based on the rates of the 10 major U.S. trading partners.

**Gross domestic product (GDP):** The value of final output produced by people, government, and firms in the United States, whether they are U.S. or foreign citizens, or U.S.- or foreign-owned firms. Output of U.S. citizens or firms located outside the United States is not included. This statistic is reported quarterly but is revised in each of the 2 months following the initial release. Nominal GDP measures final goods and services at current prices. Real GDP measures final goods and services at 1987 prices to adjust for inflation.

**Household:** All the people living in a housing unit. A house, an apartment, or a single room is considered a housing unit, if it is occupied as separate living quarters. To be classified as separate living quarters, the occupants of the housing unit must not live and eat with any other people in the structure. In addition, there must be direct access to the unit from the outside or indirect access through a common hall.

**Income:** The sum of the amounts of money received from wages and salaries; nonfarm self-employment income; farm self-employment income; Social Security or railroad retirement; Supplemental Security Income; public assistance or welfare payments; dividends, interest, or net rental income; veterans payments; unemployment or workers' compensation; private or government employee pensions; alimony or child support; and other periodic payments.

**Inflation rate:** The percentage change in a measure of the average price level. Changes are reported on a monthly basis and are stated as annual rates for longer term comparisons. The two major measures of the average price level are the Consumer and Producer Price Indexes.

**Labor force participation rate:** The civilian labor force as a percentage of the civilian noninstitutional population age 16 and older.

**Large-firm workers:** Full-time and part-time workers age 18-64 who had only one employer during the year and were employed by firms with 25 or more employees.

**Medicaid:** A Federal-State entitlement program providing medical benefits for poor families with children and aged, blind, and disabled persons, as well as certain other categories of pregnant women and children.

**Medicare:** A Federal entitlement program providing medical benefits for most persons age 65 or older and certain other categories of disabled and ill persons under age 65.

**Metro areas:** Metropolitan Statistical Areas (MSA's), as defined by the Office of Management and Budget, include core counties containing a city of 50,000 or more people and a total area population of at least 100,000. Additional contiguous counties are included in the MSA if they are economically and socially integrated with the core county. Metro areas are divided into central cities and areas outside central cities (suburbs). Throughout this publication, "urban" and "metro" have been used interchangeably to refer to people and places within MSA's.

**Nonfamily household:** A household consisting of a person living alone or of a householder living with individuals unrelated to her/him.

**Nonmetro areas:** Counties outside metro area boundaries. Throughout this publication, "rural" and "nonmetro" are used interchangeably to refer to people and places outside of MSA's.

**Other public health insurance coverage:** Medical benefits provided through other public programs besides Medicaid, including Medicare and various programs covering current and former Armed Forces members and their dependents.

**Poverty:** A person is in poverty if his or her family's money income is below the official poverty threshold appropriate for that size and type of family. Different thresholds exist for elderly and nonelderly unrelated individuals, for two-person families with and without elderly heads, and for different family sizes by number of children. For example, the poverty threshold for a family of four with two children was $13,812 in 1991. The thresholds are adjusted for inflation annually using the Consumer Price Index.

**Producer Price Index:** A measure of the average price received by producers of finished goods at the wholesale level during a specific period compared against a benchmark period.

**Region:** Both regions defined by the Bureau of the Census and regions defined by the Bureau of Economic Analysis are used in this issue. The States in each region are as follows:

***Bureau of the Census regions***

Northeast—Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont.

Midwest—Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.

South—Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia.

West—Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.

**Region (continued):**

***Bureau of Economic Analysis (BEA) regions***

New England—Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont.

Mideast—Delaware, District of Columbia, Maryland, New Jersey, New York, and Pennsylvania.

Great Lakes—Illinois, Indiana, Michigan, Ohio, and Wisconsin.

Plains—Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, and South Dakota.

Southeast—Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, and West Virginia.

Southwest—Arizona, New Mexico, Oklahoma, and Texas.

Rocky Mountain—Colorado, Idaho, Montana, Utah, and Wyoming.

Far West—California, Nevada, Oregon, and Washington. BEA does not classify Alaska and Hawaii in any region, but we have included them in the Far West.

**Small-firm workers:** Full-time and part-time workers aged 18-64 who had only one employer during the year and were employed by firms with fewer than 25 employees.

**Unemployment rate:** The number of unemployed people 16 years and older as a percentage of the civilian labor force 16 years and older.

**Unrelated individual:** A person who does not live with relatives. An unrelated individual may live alone, with nonrelatives, or in group quarters with no relatives. Lodgers and resident employees with no relatives in the household are also unrelated individuals. Inmates of institutions are classified separately; they are not counted as unrelated individuals.

## Appendix table 1—Nonmetro employment: Quarterly and annual averages

| Year/ quarter | Population 16+ | Labor force | Labor force participation | Employed | Employment-population ratio | Unemployed | Unemployment rate | Adjusted unemployment rate[1] |
|---|---|---|---|---|---|---|---|---|
| | Thousands | | Percent | Thousands | Percent | Thousands | Percent | |
| 1992: | | | | | | | | |
| 4th | 42,737 | 27,181 | 63.6 | 25,460 | 59.6 | 1,772 | 6.3 | 10.1 |
| 3rd | 42,653 | 27,344 | 64.1 | 25,452 | 59.7 | 1,892 | 6.9 | 10.6 |
| 2nd | 42,322 | 26,939 | 63.7 | 25,047 | 59.2 | 1,893 | 7.0 | 10.7 |
| 1st | 42,114 | 26,232 | 62.3 | 24,052 | 57.1 | 2,179 | 8.3 | 12.4 |
| 1991: | | | | | | | | |
| 4th | 42,328 | 26,442 | 62.5 | 24,745 | 58.5 | 1,697 | 6.4 | 10.1 |
| 3rd | 41,904 | 26,364 | 62.9 | 24,683 | 58.9 | 1,681 | 6.4 | 10.3 |
| 2nd | 42,017 | 26,529 | 63.1 | 24,673 | 58.7 | 1,856 | 7.0 | 10.7 |
| 1st | 42,073 | 26,049 | 61.9 | 23,898 | 56.8 | 2,151 | 8.3 | 12.3 |
| 1990: | | | | | | | | |
| 4th | 42,106 | 26,361 | 62.6 | 24,776 | 58.8 | 1,585 | 6.0 | 9.7 |
| 3rd | 42,079 | 26,607 | 63.2 | 25,158 | 59.8 | 1,450 | 5.4 | 8.8 |
| 2nd | 41,774 | 26,417 | 63.2 | 24,934 | 59.7 | 1,483 | 5.6 | 8.9 |
| 1st | 41,660 | 25,893 | 62.2 | 24,196 | 58.1 | 1,697 | 6.6 | 10.0 |
| 1989: | | | | | | | | |
| 4th | 41,646 | 26,168 | 62.8 | 24,778 | 59.9 | 1,390 | 5.3 | 8.6 |
| 3rd | 41,755 | 26,783 | 64.1 | 25,323 | 60.6 | 1,459 | 5.4 | 8.7 |
| 2nd | 41,588 | 26,389 | 63.5 | 24,919 | 59.9 | 1,470 | 5.6 | 8.9 |
| 1st | 40,912 | 25,441 | 62.2 | 23,807 | 58.2 | 1,634 | 6.4 | 10.2 |
| 1988: | | | | | | | | |
| 4th | 40,629 | 25,510 | 62.8 | 24,024 | 59.2 | 1,469 | 5.8 | 9.4 |
| 3rd | 40,812 | 25,793 | 63.2 | 24,294 | 59.5 | 1,499 | 5.8 | 9.6 |
| 2nd | 40,877 | 25,513 | 62.4 | 23,978 | 58.7 | 1,535 | 6.0 | 9.8 |
| 1st | 40,522 | 24,819 | 61.2 | 22,996 | 56.7 | 1,823 | 7.3 | 11.6 |
| 1987: | | | | | | | | |
| 4th | 40,280 | 25,087 | 62.3 | 23,449 | 58.2 | 1,638 | 6.5 | 10.6 |
| 3rd | 40,214 | 25,277 | 62.9 | 23,634 | 58.8 | 1,643 | 6.5 | 10.5 |
| 2nd | 40,497 | 25,186 | 62.2 | 23,437 | 57.9 | 1,749 | 6.9 | 10.9 |
| 1st | 40,745 | 24,856 | 61.0 | 22,688 | 55.7 | 2,167 | 8.7 | 13.1 |
| 1992 | 42,456 | 26,924 | 63.4 | 25,003 | 58.9 | 1,922 | 7.1 | 11.0 |
| 1991 | 42,080 | 26,346 | 62.6 | 24,500 | 58.2 | 1,846 | 7.0 | 10.8 |
| 1990 | 41,905 | 26,319 | 62.8 | 24,766 | 59.1 | 1,554 | 5.9 | 9.4 |
| 1989 | 41,482 | 26,209 | 63.2 | 24,718 | 59.6 | 1,491 | 5.7 | 9.1 |
| 1988 | 40,710 | 25,409 | 62.4 | 23,827 | 58.5 | 1,582 | 6.2 | 10.1 |
| 1987 | 40,434 | 25,101 | 62.1 | 23,302 | 57.6 | 1,799 | 7.2 | 11.3 |
| 1986 | 40,646 | 25,171 | 61.9 | 23,091 | 56.8 | 2,080 | 8.3 | 12.8 |
| 1985 | 40,493 | 24,781 | 61.2 | 22,700 | 56.1 | 2,081 | 8.4 | 13.0 |
| 1984 | 55,946 | 34,725 | 62.1 | 31,930 | 57.1 | 2,796 | 8.1 | 12.2 |
| 1983 | 55,294 | 34,156 | 61.8 | 30,696 | 55.5 | 3,460 | 10.1 | 14.9 |
| 1982 | 54,727 | 33,740 | 61.7 | 30,335 | 55.4 | 3,405 | 10.1 | 14.9 |
| 1981 | 53,449 | 33,092 | 61.9 | 30,488 | 57.0 | 2,603 | 7.9 | 11.5 |
| 1980 | 52,706 | 32,512 | 61.7 | 30,150 | 57.2 | 2,362 | 7.3 | 10.7 |
| 1979 | 51,563 | 31,716 | 61.5 | 29,916 | 58.0 | 1,800 | 5.7 | 8.5 |

Note: Beginning in 1985, estimation procedures for the Current Population Survey are based on the 1980 Census. That change accounts for the large drop in the nonmetro population and labor force between 1984 and 1985. Quarterly data shown in this table are not seasonally adjusted and, therefore, do not match seasonally adjusted numbers analyzed in the "Employment" and "Unemployment" articles.

[1] Unemployment rate adjusted to include discouraged workers and half of the workers employed part time for economic reasons.

Source: Current Population Survey.

## Appendix table 2—Metro employment: Quarterly and annual averages

| Year/ quarter | Population 16+ | Labor force | Labor force participation | Employed | Employment-population ratio | Unemployed | Unemployment rate | Adjusted unemployment rate[1] |
|---|---|---|---|---|---|---|---|---|
| | Thousands | | *Percent* | *Thousands* | *Percent* | *Thousands* | *Percent* | |
| 1992: | | | | | | | | |
| 4th | 149,582 | 99,763 | 66.7 | 92,726 | 62.0 | 7,037 | 7.1 | 10.1 |
| 3rd | 149,134 | 101,028 | 67.7 | 93,478 | 62.7 | 7,550 | 7.5 | 10.7 |
| 2nd | 148,989 | 100,255 | 67.3 | 92,745 | 62.2 | 7,510 | 7.5 | 10.5 |
| 1st | 148,774 | 99,186 | 66.7 | 91,432 | 61.5 | 7,754 | 7.8 | 11.1 |
| 1991: | | | | | | | | |
| 4th | 148,121 | 98,915 | 66.8 | 92,327 | 62.3 | 6,589 | 6.7 | 9.8 |
| 3rd | 148,074 | 99,912 | 67.5 | 93,299 | 63.0 | 6,613 | 6.6 | 9.7 |
| 2nd | 147,506 | 99,017 | 67.1 | 92,522 | 62.7 | 6,496 | 6.6 | 9.4 |
| 1st | 147,039 | 97,984 | 66.6 | 91,362 | 62.1 | 6,622 | 6.8 | 9.7 |
| 1990: | | | | | | | | |
| 4th | 146,589 | 98,463 | 67.2 | 92,956 | 63.4 | 5,507 | 5.6 | 8.2 |
| 3rd | 146,187 | 99,290 | 67.9 | 93,872 | 64.2 | 5,417 | 5.5 | 8.0 |
| 2nd | 146,051 | 98,504 | 67.4 | 93,480 | 64.0 | 5,024 | 5.1 | 7.4 |
| 1st | 145,751 | 97,615 | 67.0 | 92,238 | 63.3 | 5,332 | 5.5 | 7.8 |
| 1989: | | | | | | | | |
| 4th | 145,371 | 98,191 | 67.5 | 93,242 | 64.1 | 4,949 | 5.0 | 7.3 |
| 3rd | 144,848 | 98,373 | 67.9 | 93,366 | 64.5 | 5,007 | 5.1 | 7.5 |
| 2nd | 144,589 | 97,391 | 67.4 | 92,449 | 63.9 | 4,942 | 5.1 | 7.5 |
| 1st | 144,861 | 96,633 | 66.7 | 91,411 | 63.1 | 5,223 | 5.4 | 7.9 |
| 1988: | | | | | | | | |
| 4th | 144,625 | 96,886 | 67.0 | 92,139 | 63.7 | 4,748 | 4.9 | 7.4 |
| 3rd | 144,028 | 97,249 | 67.5 | 92,132 | 64.0 | 5,117 | 5.3 | 8.0 |
| 2nd | 143,512 | 95,843 | 66.8 | 90,801 | 63.3 | 5,042 | 5.3 | 7.8 |
| 1st | 143,445 | 95,061 | 66.3 | 89,492 | 62.4 | 5,569 | 5.9 | 8.6 |
| 1987: | | | | | | | | |
| 4th | 143,187 | 95,433 | 66.6 | 90,347 | 63.1 | 5,086 | 5.3 | 7.9 |
| 3rd | 142,802 | 95,924 | 67.2 | 90,434 | 63.3 | 5,490 | 5.7 | 8.6 |
| 2nd | 142,030 | 94,546 | 66.6 | 88,869 | 62.6 | 5,677 | 6.0 | 8.7 |
| 1st | 141,257 | 93,152 | 65.9 | 86,904 | 61.5 | 6,249 | 6.7 | 9.6 |
| 1992 | 149,120 | 100,058 | 67.1 | 92,595 | 62.1 | 7,463 | 7.5 | 10.6 |
| 1991 | 147,685 | 98,957 | 67.0 | 92,377 | 62.6 | 6,580 | 6.6 | 9.6 |
| 1990 | 146,144 | 98,468 | 67.4 | 93,148 | 63.7 | 5,320 | 5.4 | 7.9 |
| 1989 | 144,911 | 97,660 | 67.4 | 92,624 | 63.9 | 5,036 | 5.2 | 7.5 |
| 1988 | 143,903 | 96,260 | 66.9 | 91,141 | 63.3 | 5,119 | 5.3 | 7.9 |
| 1987 | 142,319 | 94,764 | 66.6 | 89,138 | 62.6 | 5,625 | 5.9 | 8.7 |
| 1986 | 139,941 | 92,665 | 66.2 | 86,508 | 61.8 | 6,157 | 6.6 | 9.5 |
| 1985 | 137,713 | 90,684 | 65.9 | 84,453 | 61.3 | 6,231 | 6.9 | 9.9 |
| 1984 | 120,437 | 78,819 | 65.4 | 73,076 | 60.7 | 5,743 | 7.3 | 10.4 |
| 1983 | 118,922 | 77,394 | 65.1 | 70,137 | 59.0 | 7,257 | 9.4 | 13.1 |
| 1982 | 117,544 | 76,465 | 65.1 | 69,192 | 58.9 | 7,273 | 9.5 | 13.1 |
| 1981 | 112,987 | 73,301 | 64.9 | 67,825 | 60.0 | 5,476 | 7.5 | 10.3 |
| 1980 | 111,438 | 72,207 | 64.8 | 67,120 | 60.2 | 5,087 | 7.0 | 9.5 |
| 1979 | 109,969 | 71,192 | 64.7 | 67,029 | 61.0 | 4,163 | 5.8 | 8.0 |

Note: Beginning in 1985, estimation procedures for the Current Population Survey are based on the 1980 Census. Quarterly data shown in this table are not seasonally adjusted and, therefore, do not match seasonally adjusted numbers analyzed in the "Employment" and "Unemployment" articles.

[1] Unemployment rate adjusted to include discouraged workers and half of the workers employed part time for economic reasons.

Source: Current Population Survey.

## Appendix table 3—Jobs by industry and BEA region

| Item | United States | | New England | | Mideast | | Great Lakes | | Plains | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Nonmetro | Metro | Nonmetro | Metro | Nonmetro | Metro | Nonmetro | Metro | Nonmetro | Metro |
| | | | | | *Thousands* | | | | | |
| 1990: | | | | | | | | | | |
| Total | 26,360 | 110,800 | 1,229 | 6,659 | 1,824 | 22,353 | 4,406 | 18,373 | 4,005 | 6,485 |
| Farming | 2,088 | 1,065 | 25 | 23 | 72 | 115 | 323 | 174 | 533 | 88 |
| Agricultural services[1] | 377 | 979 | 22 | 52 | 17 | 139 | 39 | 107 | 43 | 38 |
| Mining | 415 | 509 | 1 | 5 | 20 | 34 | 48 | 35 | 35 | 20 |
| Construction | 1,409 | 5,816 | 96 | 327 | 100 | 1,121 | 209 | 858 | 181 | 306 |
| Manufacturing | 4,585 | 15,156 | 190 | 1,077 | 321 | 2,819 | 924 | 3,376 | 521 | 930 |
| Transportation[2] | 1,100 | 5,468 | 44 | 266 | 81 | 1,127 | 192 | 852 | 171 | 372 |
| Wholesale | 846 | 5,778 | 37 | 344 | 53 | 1,208 | 142 | 969 | 170 | 362 |
| Retail | 4,353 | 18,354 | 219 | 1,078 | 323 | 3,394 | 748 | 3,223 | 640 | 1,109 |
| Finance[3] | 1,255 | 8,929 | 74 | 584 | 85 | 1,921 | 214 | 1,338 | 198 | 532 |
| Services[4] | 5,521 | 32,060 | 339 | 2,090 | 444 | 7,021 | 928 | 5,073 | 839 | 1,845 |
| Government | 4,463 | 16,685 | 181 | 814 | 308 | 3,454 | 640 | 2,369 | 673 | 883 |
| 1989: | | | | | | | | | | |
| Total | 25,978 | 109,363 | 1,245 | 6,830 | 1,810 | 22,346 | 4,339 | 18,119 | 3,947 | 6,381 |
| Farming | 2,072 | 1,096 | 25 | 23 | 74 | 119 | 332 | 178 | 545 | 90 |
| Agricultural services[1] | 366 | 955 | 22 | 54 | 17 | 139 | 38 | 104 | 41 | 37 |
| Mining | 400 | 519 | 1 | 6 | 21 | 34 | 38 | 47 | 34 | 20 |
| Construction | 1,380 | 5,824 | 105 | 369 | 102 | 1,164 | 200 | 836 | 172 | 301 |
| Manufacturing | 4,601 | 15,403 | 198 | 1,148 | 330 | 2,940 | 926 | 3,417 | 511 | 933 |
| Transportation[2] | 1,081 | 5,312 | 44 | 263 | 80 | 1,107 | 191 | 832 | 170 | 364 |
| Wholesale | 852 | 5,841 | 38 | 365 | 54 | 1,236 | 142 | 981 | 172 | 364 |
| Retail | 4,285 | 18,306 | 226 | 1,132 | 318 | 3,448 | 737 | 3,195 | 630 | 1,106 |
| Finance[3] | 1,237 | 8,866 | 75 | 587 | 83 | 1,926 | 211 | 1,317 | 195 | 521 |
| Services[4] | 5,333 | 30,871 | 333 | 2,067 | 429 | 6,837 | 898 | 4,887 | 812 | 1,780 |
| Government | 4,370 | 16,369 | 178 | 816 | 302 | 3,395 | 625 | 2,325 | 663 | 866 |
| 1988: | | | | | | | | | | |
| Total | 25,498 | 107,160 | 1,231 | 6,849 | 1,778 | 22,121 | 4,256 | 17,710 | 3,888 | 6,239 |
| Farming | 2,139 | 1,133 | 27 | 25 | 80 | 130 | 345 | 186 | 558 | 92 |
| Agricultural services[1] | 363 | 946 | 23 | 55 | 17 | 139 | 37 | 99 | 41 | 36 |
| Mining | 418 | 530 | 1 | 6 | 21 | 35 | 52 | 36 | 35 | 21 |
| Construction | 1,349 | 5,743 | 107 | 393 | 100 | 1,157 | 193 | 806 | 167 | 299 |
| Manufacturing | 4,512 | 15,409 | 200 | 1,194 | 326 | 2,995 | 899 | 3,400 | 495 | 922 |
| Transportation[2] | 1,058 | 5,214 | 44 | 270 | 80 | 1,103 | 186 | 817 | 168 | 353 |
| Wholesale | 818 | 5,642 | 37 | 357 | 52 | 1,224 | 137 | 938 | 167 | 355 |
| Retail | 4,152 | 17,866 | 221 | 1,123 | 308 | 3,412 | 715 | 3,103 | 614 | 1,080 |
| Finance[3] | 1,250 | 8,906 | 76 | 599 | 83 | 1,936 | 213 | 1,319 | 196 | 520 |
| Services[4] | 5,160 | 29,697 | 323 | 2,011 | 417 | 6,627 | 862 | 4,717 | 795 | 1,709 |
| Government | 4,278 | 16,073 | 173 | 815 | 292 | 3,362 | 616 | 2,289 | 653 | 852 |

See footnotes at end of table.

—Continued

## Appendix table 3—Jobs by industry and BEA region—Continued

| Item | Southeast | | Southwest | | Rocky Mountain | | Far West[5] | |
|---|---|---|---|---|---|---|---|---|
| | Nonmetro | Metro | Nonmetro | Metro | Nonmetro | Metro | Nonmetro | Metro |
| | | | | *Thousands* | | | | |
| 1990: | | | | | | | | |
| Total | 9,088 | 22,816 | 2,473 | 10,627 | 1,415 | 2,710 | 1,919 | 20,778 |
| Farming | 599 | 257 | 242 | 93 | 115 | 26 | 128 | 289 |
| Agricultural services[1] | 111 | 211 | 40 | 85 | 25 | 20 | 80 | 328 |
| Mining | 131 | 99 | 119 | 233 | 41 | 26 | 19 | 58 |
| Construction | 504 | 1,405 | 134 | 561 | 80 | 128 | 105 | 1,112 |
| Manufacturing | 2,065 | 2,759 | 240 | 1,191 | 119 | 297 | 205 | 2,705 |
| Transportation[2] | 353 | 1,208 | 109 | 565 | 68 | 150 | 81 | 929 |
| Wholesale | 275 | 1,174 | 73 | 541 | 43 | 133 | 51 | 1,047 |
| Retail | 1,452 | 3,987 | 398 | 1,812 | 248 | 455 | 325 | 3,296 |
| Finance[3] | 382 | 1,735 | 119 | 862 | 78 | 230 | 104 | 1,727 |
| Services[4] | 1,678 | 6,157 | 511 | 2,950 | 333 | 781 | 450 | 6,143 |
| Government | 1,538 | 3,824 | 488 | 1,733 | 264 | 464 | 372 | 3,144 |
| 1989: | | | | | | | | |
| Total | 8,970 | 22,422 | 2,427 | 10,331 | 1,373 | 2,640 | 1,868 | 20,293 |
| Farming | 609 | 263 | 241 | 93 | 116 | 26 | 129 | 303 |
| Agricultural services[1] | 109 | 204 | 38 | 82 | 24 | 19 | 77 | 318 |
| Mining | 130 | 97 | 112 | 231 | 40 | 26 | 23 | 58 |
| Construction | 494 | 1,402 | 135 | 541 | 73 | 123 | 100 | 1,088 |
| Manufacturing | 2,076 | 2,774 | 235 | 1,175 | 116 | 293 | 209 | 2,724 |
| Transportation[2] | 343 | 1,173 | 107 | 537 | 67 | 145 | 80 | 891 |
| Wholesale | 279 | 1,189 | 74 | 541 | 43 | 131 | 49 | 1,033 |
| Retail | 1,432 | 3,950 | 390 | 1,781 | 239 | 447 | 313 | 3,248 |
| Finance[3] | 376 | 1,728 | 119 | 858 | 77 | 228 | 102 | 1,701 |
| Services[4] | 1,616 | 5,893 | 497 | 2,799 | 319 | 743 | 428 | 5,865 |
| Government | 1,507 | 3,750 | 478 | 1,694 | 258 | 459 | 359 | 3,065 |
| 1988: | | | | | | | | |
| Total | 8,799 | 21,899 | 2,414 | 10,114 | 1,337 | 2,575 | 1,794 | 19,654 |
| Farming | 630 | 276 | 249 | 96 | 121 | 28 | 130 | 301 |
| Agricultural services[1] | 108 | 202 | 39 | 82 | 24 | 19 | 74 | 313 |
| Mining | 133 | 101 | 116 | 244 | 39 | 28 | 20 | 60 |
| Construction | 486 | 1,404 | 136 | 552 | 69 | 123 | 92 | 1,009 |
| Manufacturing | 2,040 | 2,775 | 235 | 1,158 | 112 | 284 | 204 | 2,681 |
| Transportation[2] | 334 | 1,152 | 106 | 515 | 66 | 142 | 75 | 861 |
| Wholesale | 268 | 1,141 | 71 | 523 | 41 | 125 | 46 | 981 |
| Retail | 1,385 | 3,835 | 383 | 1,737 | 228 | 433 | 298 | 3,143 |
| Finance[3] | 379 | 1,733 | 122 | 874 | 79 | 230 | 101 | 1,694 |
| Services[4] | 1,560 | 5,626 | 488 | 2,681 | 306 | 710 | 409 | 5,617 |
| Government | 1,475 | 3,655 | 470 | 1,652 | 252 | 453 | 346 | 2,994 |

Note: 1988 and 1989 data revised. Missing numbers estimated by the Economic Research Service.

[1] Includes forestry and fishing.

[2] Includes communications and public utilities.

[3] Includes insurance and real estate.

[4] Includes health, legal, educational, recreational, business, repair, and personal services.

[5] Includes Alaska and Hawaii.

Source: Bureau of Economic Analysis.

## Appendix table 4—Real earnings per job

| Item | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | *1990 dollars* | | | | | | | | | | | |
| United States | 24,838 | 24,177 | 23,995 | 23,825 | 23,799 | 24,146 | 24,173 | 24,501 | 24,696 | 24,948 | 24,782 | 24,645 |
| Nonmetro | 20,750 | 19,573 | 19,667 | 19,053 | 18,519 | 19,245 | 19,068 | 19,364 | 19,359 | 19,375 | 19,437 | 19,253 |
| Metro | 25,917 | 25,376 | 25,109 | 25,045 | 25,144 | 25,373 | 25,421 | 25,734 | 25,970 | 26,275 | 26,052 | 25,927 |
| Metro-nonmetro earnings gap | 5,167 | 5,803 | 5,443 | 5,992 | 6,625 | 6,129 | 6,353 | 6,369 | 6,611 | 6,900 | 6,615 | 6,674 |
| | *Percent* | | | | | | | | | | | |
| Nonmetro/metro earnings ratio | 80.1 | 77.1 | 78.3 | 76.1 | 73.7 | 75.8 | 75.0 | 75.2 | 74.5 | 73.7 | 74.6 | 74.3 |
| Change from previous year: | | | | | | | | | | | | |
| United States | -.7 | -2.7 | -.8 | -.7 | -.1 | 1.5 | .1 | 1.4 | .8 | 1.0 | -.7 | -.6 |
| Nonmetro | -.1 | -5.7 | .5 | -3.1 | -2.8 | 3.9 | -.9 | 1.6 | -0 | .1 | .3 | -.9 |
| Metro | -.9 | -2.1 | -1.0 | -.3 | .4 | .9 | .2 | 1.2 | .9 | 1.2 | -.8 | -.5 |

-0 = Less than 0.1-percent decline.
Note: 1988 and 1989 data revised.
Source: Bureau of Economic Analysis.

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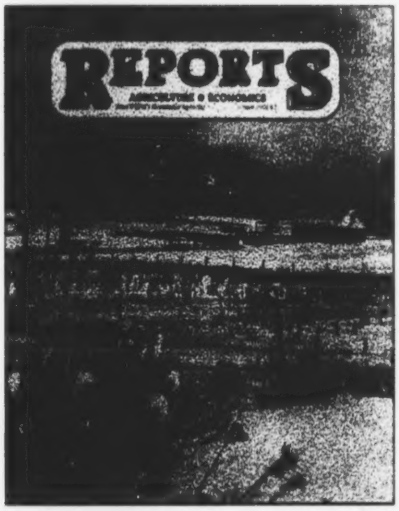

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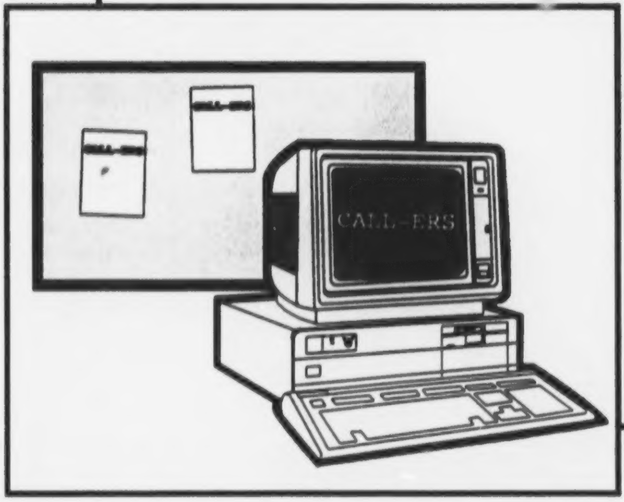

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# Rural Conditions and Trends

Economic Research Service • United States Department of Agriculture • Summer 1993 • Vol. 4, No. 2

National economic growth still slow

Rural employment inches up

Urban-rural earnings gap continues to widen

# Rural Conditions and Trends

Summer 1993, Vol. 4, No. 2

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# Rural Employment Recovering Slowly; Earnings Gap Widens

*Growth in both rural and urban employment since the 1990-91 recession has been slow. Although rural employment and earnings were less affected by this recession than the 1980-82 recessions, rural earnings per job continue to lag urban earnings. The ratio of rural to urban nonfarm earnings fell below its 1969 level in 1987 and has continued to fall since then.*

Rural employment grew at about the same rate as urban employment between the second quarters of 1992 and 1993. Labor force growth kept both rural and urban unemployment rates steady, with the urban rate remaining somewhat higher than the rural rate. Nationally, gross domestic product and consumer disposable income increased slightly, short-term interest rates remained low, and long-term interest rates continued to fall. Although their rates of change have varied, these indicators have shown modest improvement since the 1990-91 recession ended during the first quarter of 1991.

The recent release of industry data by the Bureau of Economic Analysis (BEA) allows a more complete analysis of the 1990-91 recession in the Industry and Earnings articles. The 1991 data confirm our analysis of the 1990 data (in the Spring 1993 issue)—rural industries withstood this recession better than the 1980-82 recessions in terms of both jobs and earnings. Rural manufacturing employment appears to have been bolstered by expanding exports. Exports of nonfarm goods continued to grow during the 1990-91 recession, 1992, and the first half of 1993. The relatively low value of the dollar was undoubtedly a factor in export growth.

Not to be lost sight of while concentrating on these recession comparisons is the fact that the long-term trend in rural earnings per job is downward relative to urban earnings. In 1969, rural nonfarm earnings stood at 76.3 percent of urban earnings. The ratio of rural to urban nonfarm earnings peaked in 1979 at 81.1 percent and then decreased each year (with the exception of a 0.2-percentage-point increase in 1984) to 73.5 percent in 1991. The 1980's were hard on the relative position of rural areas, and at least the beginning of the 1990's indicates that the trend has yet to change for the better.

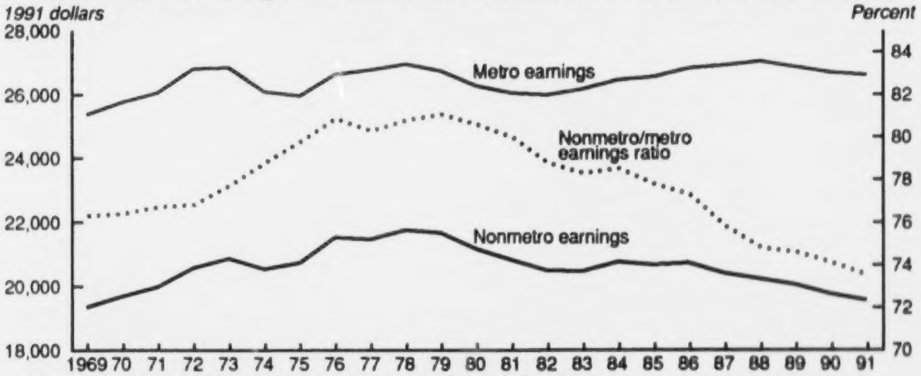
### Industry and Earnings Sections Based on Revised Data

About every 5 years, BEA revises their jobs and earnings series back through 1969 or earlier years. These long-term revisions reflect changes in industrial classifications, estimation methods, or available data sources. The revised jobs and earnings per job data presented in the Industry and Earnings articles differ most from previous estimates in the mining and finance, insurance, and real estate industries. Those two industrial sectors' job estimates increased considerably primarily because new procedures were adopted for estimating the number of proprietors. Earnings estimates did not rise with the larger number of jobs in those industries, resulting in lower earnings per job. National changes for selected years are shown in appendix table 7.

We dropped BEA's estimates of farm jobs and earnings from the Industry and Earnings articles because their new estimation procedures for farm proprietors' earnings differ substantially from their previous procedures and from USDA's procedures. As shown in appendix table 7, the new procedures reduced farm earnings per job by nearly a fourth in 1989 and 1990 compared with BEA's previous estimates. Until we have time to analyze the new procedures more carefully, we are not comfortable reporting on BEA's farm estimates in the Industry and Earnings articles. *[Linda M. Ghelfi, 202-219-0520.]*

**Real earnings per nonfarm job**

**Nonmetro earnings peaked in 1979 at $21,692 and came the closest to metro earnings (81.1 percent); the earnings ratio has fallen since then, down to 73.5 percent in 1991**



Source: Calculated by ERS using data from the Bureau of Economic Analysis.

# Slow Growth Continues

*Real gross domestic product growth was modest during the first 6 months of 1993. The unemployment rate remained largely unchanged.*

After a rapid 4.7-percent increase at an annual rate in the fourth quarter of 1992, growth in real gross domestic product (GDP) slowed substantially in the first half of 1993. Real GDP rose a tepid 1.0 percent in the first half of 1993, held back by falling Federal purchases of goods and services and an increasing trade deficit. At the same time, business investment spending posted strong gains, led by a 6.0-percent rise in spending on business equipment.

Despite sluggish first-half growth in real GDP, job growth increased slightly. About 160,000 jobs were added each month, up from the 125,000 pace of the second half of 1992. However, job gains were not distributed evenly across sectors. Manufacturing jobs continued to slide in the first half, falling by about 24,000 each month. The number of service-producing jobs rose by about 171,000 each month, with the largest growth in services and retail trade industries.

Even with a slightly improving overall jobs picture, the unemployment rate hovered around 7 percent during the first half of 1993, showing only a small sign of improvement in the July drop to 6.8 percent. In contrast, the unemployment rate declined almost steadily each month during the second half of 1992.

### Income Growth Sluggish

Consumer disposable income grew modestly in the first half of the year. Wage and salary income, the largest portion of consumer income, rose by 3.5 percent, reflecting small increases in employee hours and hourly wages. The falling and low interest rates of the previous 2 years continued to depress consumer interest income. As interest rates fell on Treasury bonds and bills, they fell on passbook savings accounts, certificates of deposit, money-market funds, and other consumer-oriented forms of savings too. As a result, consumers who had held multiyear certificates of deposit were forced to roll over previously higher interest certificates into lower rate certificates or take on higher risk. So interest income declined.

### Inflation and Interest Rates Low

With sluggish growth and a relatively high unemployment rate, there was little underlying inflation pressure during the first half. Nevertheless, jumps in commodity prices and one-time increases in other consumer prices pushed inflation up in the spring. By May and June, however, inflation slipped back to relatively low levels. For the first 6 months as a whole, consumer prices rose 3.1 percent at an annual rate, slightly above 1992's 2.9-percent rate.

Short-term interest rates continued at 30-year lows as the economy moved into the late summer, while long-term rates continued to drift down. Yields on 10-year Treasury notes fell to about 5.8 percent in July 1993, the lowest monthly average since November 1968. The decline in long-term rates was largely due to the slow U.S. recovery, sluggish world economic growth, and the expectation that the inflation rate will not rise quickly. Widespread belief that the Federal deficit will substantially shrink and that foreign interest rates will further drop also contributed to the downward drift in longer term yields.

### Trade Deficit Up Sharply

Contrary to expectations, the trade deficit rose rapidly in the first half of 1993. Annualized real net exports, real exports minus real imports, rose to -$70 billion for both the first two quarters—up sharply from the -$49-billion deficit in the last quarter of 1992. Europe's recession and Japan's slow growth brought low growth in their demand for U.S. imports. The rise in the value of the U.S. dollar has further contributed to sluggish farm exports. The second quarter's nonfarm goods exports picked up slightly from the fourth quarter of 1992 after a steep drop in the first quarter of 1993.

The first quarter of 1993 saw a $2.3-billion drop in farm exports and a $5-billion drop in nonfarm goods exports mitigated by a $3.3-billion rise in service exports. The $15.9-billion increase in goods imports and $1.5 billion in services imports thus increased the trade deficit by $21.4 billion relative to the fourth quarter of 1992. The second quarter's farm and service exports were essentially unchanged as nonfarm goods exports rose $10 billion while imports grew about the same amount, keeping the trade deficit at the same level as the first quarter.

### The Outlook

Most private analysts suggest that continued low inflation and interest rates will help buoy the private economy over the next 12 to 18 months. Private forecasters believe real GDP will grow 2.3 to 2.8 percent. Consumer price inflation will likely be around 3 percent over the next 18 months. Interest rates are expected to rise slowly as the economy gains strength, with short-term interest rates expected to rise more than long-term rates. While a few analysts expect the Midwest flood to significantly reduce third-quarter output, the majority expect the only income effects to be concentrated in the directly affected States with little impact on the general economy. The temporary surge in some aggregate futures price indexes as a result of the flooding has subsided. Thus, the flood is expected to only slightly affect general inflation, although futures prices for some farm commodities such as corn and soybeans remain high.

The primary support for economic growth in the second half of 1993 will likely come from investment and consumption of durable goods. Low interest rates will continue to support investment. Growth in wage income along with low interest rates should support increases in durable good sales. Government purchases will likely provide mild support to growth as defense purchases catch up with appropriations and spending increases to deal with the Midwest flood. The trade deficit is expected to be a drag on U.S. growth over the next several quarters. *[D.A. Torgerson, 202-219-0782. Data as of August 10, 1993.]*

### Major components of net exports

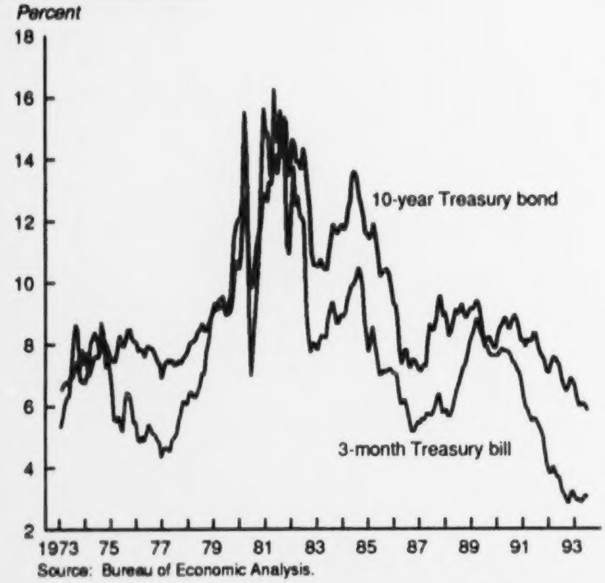
**The trade deficit continues to grow, but U.S. exports of nonfarm goods remain strong**

| Item | Quarter<br>Fourth 1992 | <br>First 1993 | <br>Second 1993 |
|---|---|---|---|
| | *Billions of 1987 dollars* | | |
| Exports | 588.2 | 584.2 | 593.8 |
| Goods | 434.0 | 426.7 | 436.0 |
| Farm-based goods | 41.6 | 39.3 | 38.9 |
| Nonfarm goods | 392.4 | 387.4 | 397.1 |
| Services | 154.2 | 157.5 | 157.8 |
| Imports | 637.1 | 654.5 | 663.7 |
| Goods | 535.1 | 551.0 | 561.7 |
| Services | 102.0 | 103.5 | 102.0 |
| Net exports | -48.9 | -70.3 | -69.9 |
| Goods | -101.1 | -124.3 | -125.7 |
| Services | 52.2 | 54.0 | 55.8 |

Note: Figures may not add due to rounding.
Source: U.S. Department of Commerce.

### Long- and short-term interest rates

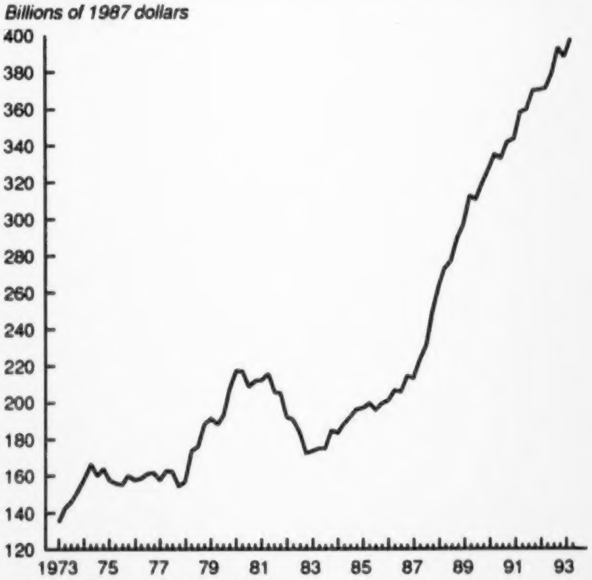
**Yields on Treasury bills and bonds dropped to 20-year record lows**



Source: Bureau of Economic Analysis.

### Nonfarm goods exports

**Decade of growth continued in second quarter of 1993**



Source: Bureau of Economic Analysis.

# Moderate, Uneven Gains for Rural Employment

*Rural employment grew 1.3 percent between the second quarters of 1992 and 1993, essentially equaling the 1.2-percent urban gain. The rebound in employment continued to be unusually slow for an economic recovery period and unevenly distributed across different regions and industrial sectors.*

Employment growth remains sluggish and uneven more than 2 years after the official end of the recent recession in March 1991. Rural employment began to recover before urban, but data for the second quarter of 1993 indicate that the urban job growth rate has increased and may now equal or exceed the rural growth rate. Although the national economic recovery has been generating enough new jobs to bring the unemployment rate slowly down, the quality of the newly created jobs has been questioned and major corporations have continued to announce plans to eliminate large numbers of jobs.

Rural employment grew by 1.3 percent between the second quarters of 1992 and 1993, according to data from the Current Population Survey (CPS). The increase in rural employment did not differ significantly from the 1.2-percent urban increase during the same period. Despite recent job growth, rural employment in the second quarter of 1993 was just 1.4 percent above its prerecession peak 3 years earlier, and urban employment showed an even more modest 0.3-percent increase. By comparison, employment was 6 percent above its prerecession peak nine quarters after the trough of the 1981-82 recession, and urban employment had recovered more vigorously than rural.

Seasonally adjusted CPS data for the first two quarters of 1993 indicate that the rebound in urban employment has recently picked up steam. These data also suggest that rural employment growth slowed or may even have stalled in the second quarter. The rural jobs recovery is probably no longer outpacing the urban, but several more quarters of data will be needed to determine whether rural employment has experienced a significant setback.

### Construction, Retail Trade, Services Rebound; Mining, Manufacturing Still Losing Jobs

Recent differences among industries in national employment growth help to explain why the urban job picture has improved, while also suggesting possible sources of weakness in the rural employment outlook. Bureau of Labor Statistics (BLS) establishment data indicate that nonfarm payroll employment growth accelerated from 0.4 percent in 1992 to a 1.8-percent annualized rate in the first half of 1993, due largely to hiring rebounds in construction, retail trade, and services. The employment gains in construction together with a smaller rebound in finance suggest that the severe retrenchments in the real estate and banking sectors, epitomized by empty office buildings and the savings and loan crises, have eased. These retrenchments disproportionately affected urban areas and probably delayed their economic recovery.

Mining and manufacturing, which are disproportionately rural sectors, shed jobs in 1992 and the first half of 1993. Employment losses in mining were particularly large for oil and gas extraction, but employment in coal mining also continued to shrink. Total factory production has risen since early 1991, but the efforts of many firms to improve their competitive positions by reducing labor requirements have allowed many industries to pare employment even as output has risen. Reduced sales have triggered layoffs in defense-dependent industries, such as guided missiles and space vehicles, but these difficulties would not explain a slowdown in rural employment growth because the largest concentrations of defense-dependent manufacturers are located in certain metro areas, such as New London, CT, Orange County, CA, and Seattle, WA.

### Quality of New Jobs Questioned

Although employment growth quickened in early 1993, many analysts have expressed concern regarding the quality of the newly created jobs. The industries creating the most new jobs pay below-average wages and hire many part-time workers. A related concern is that employers in many industries have relied on temporary workers to expand production.

In the first 6 months of 1993, seasonally adjusted payroll employment in retail trade and services grew by 892,000 jobs, accounting for most of the 969,000 new nonfarm jobs. Although the terms of employment for these newly created jobs are not known, part-time work schedules and low wages are quite common in these two industries. The expanding use of temporary workers also suggests declining job security for some workers. Help supply services ("temps" agencies) accounted for nearly a fifth of total employment gains. By contrast, employment fell for mining and durable manufacturing, sectors that generally offer relatively high wages and full-time work.

### Rural Employment Gains Uneven

Although total rural employment rebounded during 1992 and early 1993, BLS county data indicate that gains were distributed unevenly across the Nation's rural counties. Between 1991 and 1992, employment growth differed considerably among counties within many States and among different States in most regions. Nonetheless, the most rapid rural employment growth tended to be in Atlantic and Pacific Coast States and the lowest employment growth in the Northern Plains States. Rural employment grew 3 percent or more in Delaware, Rhode Island, California, Maryland, Vermont, Arkansas, and Washington and fell by at least 1 percent in North Dakota, West Virginia, New York, Ohio, and Nebraska.

The differences in rural growth across different areas reflect, in part, differences in the mix of economic activity in particular rural areas. Between 1991 and 1992, rural employment rose by 2.1 percent in retirement-destination counties (app. table 4). These counties are typically rich in natural amenities, such as lakes, forests, and sunshine, that also attract tourists. Retirement-destination counties were among the most economically dynamic rural areas during the 1980's and appear to be continuing to grow more rapidly than most other rural areas. Lower employment gains of 0.6 and 0.8 percent were recorded by the groups of rural counties with concentrations in farming and manufacturing. Consistent with national trends in employment by industry, mining-dependent counties fared worst, with an employment decrease of 1.6 percent. *[Paul Swaim, 202-219-0552]*

## Employment change, 1988-93

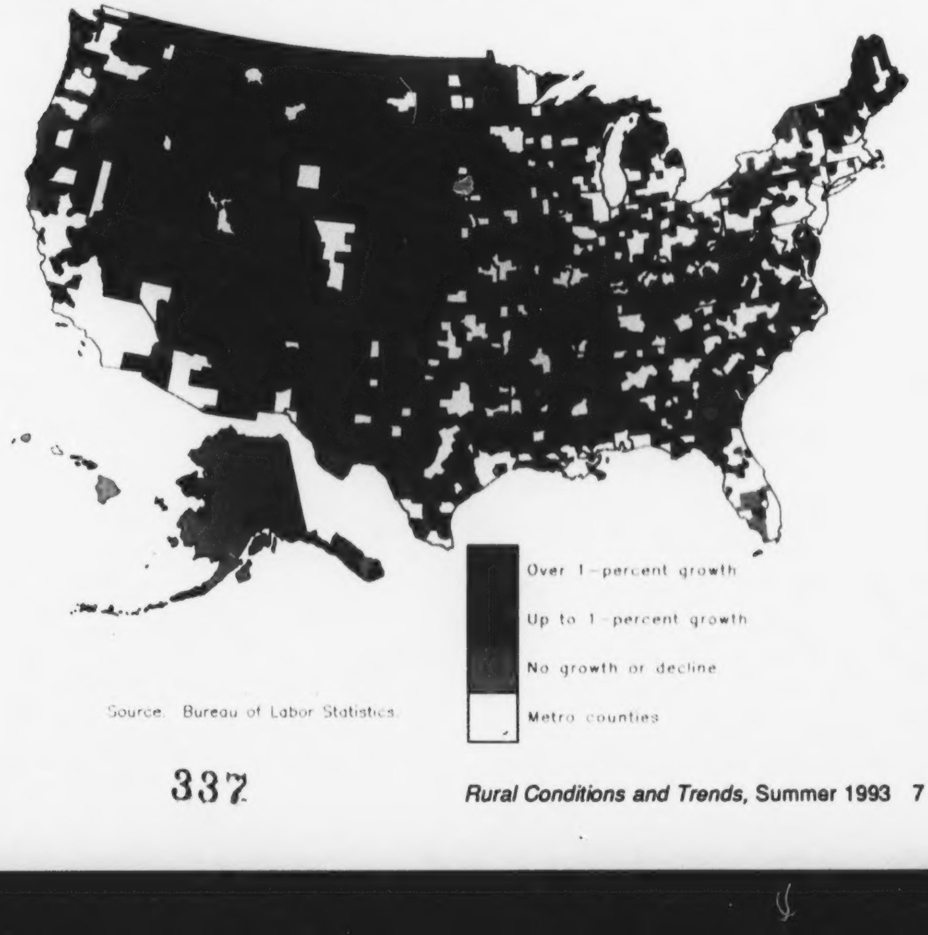
**Nonmetro employment began to recover before metro, but the job growth gap closed in the first half of 1993**

| Area | 1988-89 | 1989-90 | 1990-91 | 1991-92 | Second quarter 1992-second quarter 1993 |
|---|---|---|---|---|---|
| | | | *Percent* | | |
| United States | 2.1 | 0.5 | -0.9 | 0.6 | 1.2 |
| Nonmetro | 3.7 | .2 | -1.1 | 2.1 | 1.3 |
| Metro | 1.6 | .6 | -.8 | .2 | 1.2 |

Source: Current Population Survey.

## Nonmetro employment change, 1991-92

**Job gains were distributed unevenly across rural counties**



Source. Bureau of Labor Statistics.

# Decline in Rural Unemployment Stalls in the Second Quarter of 1993

*After falling during the two previous quarters, unemployment in rural and urban areas remained stable during the second quarter of 1993. Rural areas in the West had the highest unemployment rates and fastest growth in unemployment during 1992. Unemployment in rural areas of the other regions was lower and remained relatively unchanged.*

According to the Current Population Survey (CPS), seasonally adjusted rural and urban unemployment rates remained essentially unchanged between the first and second quarters of 1993, but lower than they were at their peaks in the third quarter of 1992. The rural unemployment rate rose slightly from 6.6 percent to 6.7 percent, while the urban unemployment rate dropped slightly from 7.1 percent to 7.0 percent. Rural unemployment peaked at 7.5 percent in the third quarter of 1992.

Standard unemployment rates exclude persons who feel there are no jobs available and so have stopped looking for employment (discouraged workers) and part-time workers who want full-time work but cannot find it (involuntary part-time workers). The adjusted rural unemployment rate, which includes discouraged workers and half of involuntary part-time workers, was a seasonally adjusted 10.4 percent during both the first and second quarters of 1993, considerably lower than its peak of 11.2 percent in the third quarter of 1992. The urban adjusted unemployment rate was also fairly stable, going from 10.2 percent to 10.3 percent between the first and second quarters of 1993. The adjusted urban unemployment rate peaked at 10.7 percent during the second and third quarters of 1992.

### Rural Unemployment Grew Most in the West in 1992

Unemployment rates differed within rural areas. BLS county data, the only data that allows examination of local differences in rural unemployment rates, show that the slight rise in the rural unemployment rate between 1991 and 1992 was largely the result of higher unemployment in the West. In 1992, the rural West had the highest unemployment rate of any region, 9.3 percent, and the largest growth in unemployment of any region, with 1992 joblessness increasing by 1.3 percentage points over its 1991 rate.

The highest unemployment rates in the rural West were in the Pacific States where substantial growth of the labor force and the restructuring of the timber industry helped push the unemployment rate from 9.1 percent in 1991 to 10.9 percent in 1992. Rural California continued to have the region's highest unemployment rate at 13.6 percent, up 2 percentage points from 1991. Although the Employment section shows fast employment growth in rural California, labor force growth was even faster, resulting in higher unemployment. Unemployment in rural Oregon and Washington was also much higher than the national average and grew considerably between 1991 and 1992. The unemployment rate in rural Oregon rose from 7.6 percent to 9.3 percent, and the unemployment rate in rural Washington rose from 8.8 percent to 10.0 percent.

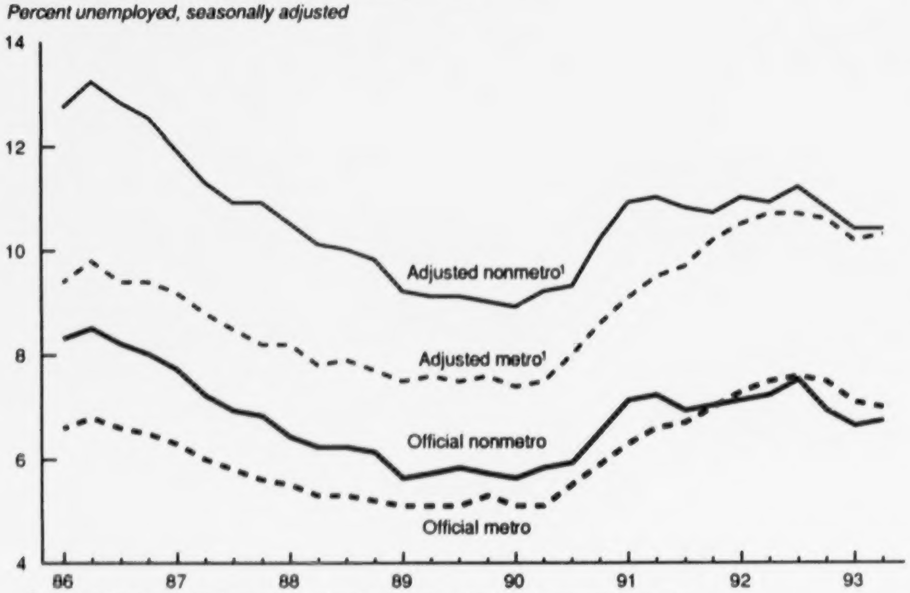
The rural Northeast had the second highest unemployment rate of all the regions in 1992, at 8.3 percent, edging up from its 1991 level of 8.1 percent. All the States in this region, with the exception of New Hampshire and Vermont, had rural unemployment rates above the U.S. average in both 1991 and 1992. In New England, rural unemployment was concentrated in the northern areas of Maine, New Hampshire, and Vermont. The unemployment rate for rural areas in the Middle Atlantic States, such as northern and southwestern New York and northwestern Pennsylvania, was higher than for rural New England and grew from 8.4 percent to 8.8 percent between 1991 and 1992. Many of these counties rely heavily on manufacturing employment and were hard hit by its restructuring.

In the rural South, the unemployment rate of 8.2 percent changed little between 1991 and 1992. Rural West Virginia continued to have the highest unemployment rate of all the Southern States, at 12.4 percent, up from 11.7 percent in 1991. Much of this unemployment is related to West Virginia's dependence on coal mining, which has been losing jobs for years. High unemployment continued to plague the Mississippi Delta and manufacturing-dependent counties in southwestern Alabama. Unemployment in Texas, which grew by almost 1 percentage point over the year, was concentrated in counties near the Mexican border which contain large Hispanic populations.

The unemployment rate in the rural Midwest was below the U.S. average and stayed about the same between 1991 and 1992, moving from 6.8 percent to 6.9 percent. However, average unemployment in Ohio, Indiana, Illinois, Michigan, and Wisconsin, at 8.5 percent, was considerably higher than the overall Midwest unemployment rate. Rural Michigan, with an unemployment rate of 10.7 percent in 1991 and 10.3 percent in 1992, made the greatest contribution to the higher unemployment rate in the eastern half of the region. Many rural counties in the Dakotas, Iowa, Nebraska, and Kansas are farming counties and have relatively low unemployment rates. *[Elizabeth M. Dagata, 202-219-0536]*

## Quarterly unemployment rates

### Nonmetro and metro rates similar in mid-1993

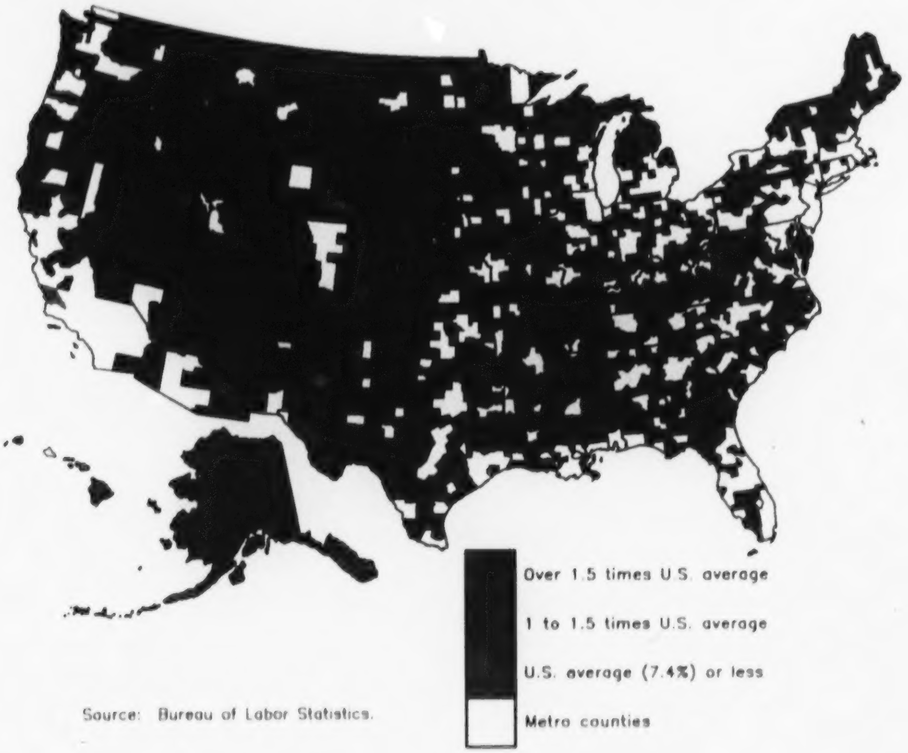


[1] Includes discouraged workers and half of workers employed part time for economic reasons.

Source: Current Population Survey.

## Nonmetro unemployment, 1992

### Nonmetro unemployment is concentrated in the West and Southeast


Over 1.5 times U.S. average
1 to 1.5 times U.S. average
U.S. average (7.4%) or less
Metro counties

Source: Bureau of Labor Statistics.

# Rural Jobs Withstood the 1990-91 Recession Better than Urban Jobs

*The 1990-91 recession accelerated the loss of jobs in manufacturing and other goods-producing industries. Yet, rural losses of manufacturing jobs were disproportionately small compared with urban losses.*

Complete data on jobs by industry covering the 1990-91 recession show that rural areas fared much better than urban areas in most industries, a sharp contrast to the earlier 1980-82 recessions. In the Spring 1993 issue of *Rural Conditions and Trends*, we analyzed what happened to jobs during the first part of the recession, from 1989 to 1990. Now that data for 1991 are available, we can measure the complete recession, from 1989 through the last recession year of 1991.

Rural nonfarm jobs, buffered by an average annual growth of 2.1 percent in the service-producing sectors, increased by about 505,000 jobs (1.1 percent annually). Jobs declined in most major categories of goods-producing industries. Manufacturing employment declined at an annual rate of 1.4 percent, construction employment, 0.2 percent, and mining employment, 3.2 percent. However, the rural jobs lost in nonfarm goods-producing industries were more than made up for by the steady growth of private-sector services (transportation, communication, and public utilities [TCPU]; wholesale and retail trade; finance, insurance, and real estate [FIRE]; and services) and government.

Urban nonfarm employment, on the other hand, was very sluggish during the full 1990-91 recession, growing at an average annual rate of only 0.1 percent (about 268,000 jobs). Urban services-producing industries expanded employment by only 0.9 percent annually. Employment in goods-producing industries declined 3 percent annually. About 1.4 million urban jobs were lost in nonfarm goods-producing industries between 1989 and 1991.

Rural industries have typically experienced more of an employment slump than urban industries during a recession. Research shows that during cyclical downturns, branch plants and other businesses in remote areas are often the first to cut back employment or close down completely. During back-to-back recessions, 1980 and 1981-82, for example, rural employment declined at an average annual rate of 0.3 percent, while urban employment increased 0.5 percent annually. Employment was sluggish or declining in all major industry groups in rural areas during the 1980-82 recessions. Manufacturing employment declined at an annual rate of 4.2 percent. Construction declined by 3.4 percent and wholesale trade by 0.4 percent. Urban nonfarm employment, on the other hand, either declined less or expanded more rapidly in each of these industries.

### Sluggish Employment Growth in Goods Production

Manufacturing and mining have historically been the mainstays of many rural economies. However, these industries have been in a structural employment decline since 1979. Rural nonfarm goods-producing industries normally spring back during recovery, but in recent years over periods of both recession and recovery, employment growth has been sluggish. Rural nonfarm goods-producing industries lost about 524,000 jobs during the 1980-82 recessions, yet recovered only 597,000 jobs during the 1982-89 recovery period, an annual growth rate of 1.4 percent, only 0.1-percentage point above the rate needed to replace the jobs lost during the recessions.

In the 1990-91 recession, rural nonfarm goods-producing industries lost about 121,000 jobs. Jobs were lost in rural areas of the eastern and southern regions of the country, while midwestern and western rural areas were able to maintain or increase their nonfarm goods-producing jobs. Rural jobs in nonfarm goods-producing industries declined about 11.5 percent in New England, 6.6 percent in the Mideast, 2.2 percent in the Southeast, and 4 percent in the Southwest. Job growth in services-producing industries more than made up for these losses except in rural New England.

### Restoring Job Cuts in Manufacturing

Some jobs eliminated during recession will never be restored. In urban areas, the recession accelerated the decline of manufacturing, which was already in a long-term employment decline due primarily to technological and structural changes within the industry. During the 1970's, manufacturing jobs were lost during the 1974-75 recession, then more than replaced during the 1975-79 recovery. However, urban manufacturing jobs lost during the 1980-82 recessions were not replaced during the 1982-89 recovery. In fact, the number of urban manufacturing jobs increased only from 1983 to 1984; since 1984 the number has steadily declined. Urban manufacturers appear to have eliminated about 1.5 million jobs between 1979 and 1989.

Manufacturing employment was more resilient in rural than urban areas during the 1980's. The back-to-back recessions of 1980 and 1981-82 cut the number of rural manufacturing jobs by 518,000. Between 1982 and 1989, a total of 542,000 new manufacturing jobs had been created in rural areas, more than replacing the jobs lost in the recessions.

More favorable foreign exchange rates and growth of manufacturing exports during the late 1980's may explain some of the manufacturing job growth in rural areas during the 1982-89 recovery and milder rural losses during the 1990-91 recession. In addition, improvements in communications and production technologies might have encouraged some manufacturers to shift production to rural areas. Recent studies suggest that technological changes are reducing the effect of distance and eliminating differences between the urban center and rural periphery. The use of automated machinery and telecommunications is increasingly reducing the need for urban specialty skills and immediate access to intermediate inputs. Yet there is growing concern that rural manufacturing employment will inevitably stagnate and decline as companies continue to reorganize production, downsize workforces, and introduce new, labor-saving machinery. During the 1990-91 recession, rural areas lost 115,000 manufacturing jobs. Data for 1992 and 1993 should reveal whether these job losses are permanent or temporary. If the job trend is downward, it may be an indication that rural manufacturers are beginning to restructure and shed jobs as urban manufacturers have previously done. *[James P. Miller, 202-219-0540]*

## Job change by industry

**Nonmetro areas fared better than metro areas during the 1990-91 recession, contrasting with the 1980-82 recessions when metro areas were more resilient**

| | 1989-91 | | 1979-82 | |
|---|---|---|---|---|
| Industry | Nonmetro | Metro | Nonmetro | Metro |
| | *Annual average percent change* | | | |
| Total nonfarm | 1.1 | 0.1 | -0.3 | 0.5 |
| Goods-producing | -1.0 | -3.0 | -2.9 | -2.7 |
| Agricultural services, forestry, and fishing | 3.9 | 4.0 | 2.2 | 3.9 |
| Mining | -3.2 | -3.8 | 5.5 | 12.5 |
| Construction | -.2 | -4.2 | -3.4 | -3.1 |
| Manufacturing | -1.4 | -2.9 | -4.2 | -3.4 |
| Service-producing | 2.1 | .9 | 1.3 | 2.0 |
| TCPU[1] | 1.0 | 1.0 | .2 | .1 |
| Wholesale | .6 | -1.2 | -.4 | .4 |
| Retail | 1.6 | -.5 | .3 | .9 |
| FIRE[2] | 1.5 | .3 | 1.7 | 1.7 |
| Services | 3.1 | 2.3 | 2.7 | 3.8 |
| Government | 1.5 | 1.0 | -.0* | .0** |

* -.0 = Decease of less than 0.1 percent. ** .0 = Increase of less than 0.1 percent.

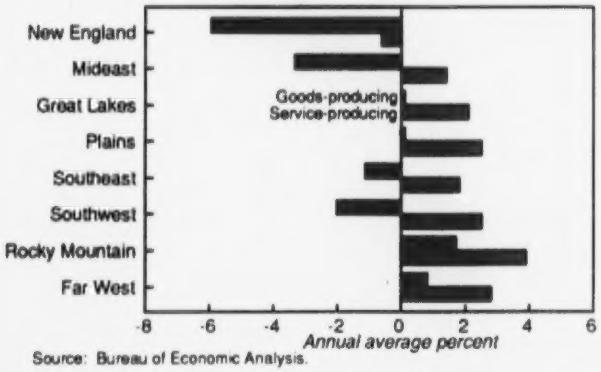
[1] Includes transportation, communications, and public utilities.

[2] Includes finance, insurance, and real estate.

Source: Bureau of Economic Analysis.

## Nonmetro job change by region, 1989-91

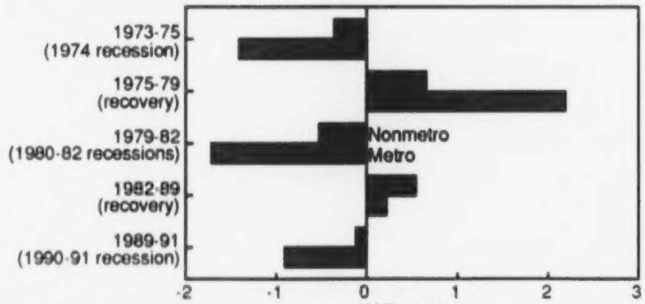
**During the 1990-91 recession, goods-producing jobs in nonmetro New England and the Mideast were hardest hit**



Source: Bureau of Economic Analysis.

## Manufacturing job change

**Nonmetro manufacturing jobs lost during the 1980-82 recessions were regained during the following recovery, while metro losses were not regained**



Source: Bureau of Economic Analysis.

# Effects of 1990-91 Recession on Rural Earnings Were Comparatively Mild

*Rural earnings per nonfarm job declined more than urban earnings in all regions and private industries during 1989-91. However, the decline in rural earnings was much more moderate than during earlier recessions.*

Earnings per nonfarm job fell 0.9 percent to $19,586 in rural areas and 0.3 percent to $26,633 in urban areas in 1991, the third consecutive year that earnings per nonfarm job in both areas fell. Four consecutive years of simultaneous rural-urban losses in real earnings marked the back-to-back recessions of 1980 and 1981-82. [These earnings estimates are based on revised data from the Bureau of Economic Analysis and exclude the farm sector. Therefore, they do not match earnings per job analyzed in previous issues of *Rural Conditions and Trends.*]

The effects of the 1990-91 recession on rural earnings per nonfarm job were modest compared with the effects of the 1980-82 recessions. Rural earnings per nonfarm job fell 2.4 percent from 1989 to 1991 compared with 5.4 percent from 1979 to 1982. The only rural sector where real earnings fared worse during 1989-91 than during 1979-82 was transportation, communication, and public utilities (TCPU) [-3.9 percent vs. -2.9 percent].

### Rural Earnings in Finance, Insurance, and Real Estate Less Than Half of Urban Earnings

The urban advantage in earnings per nonfarm job widened for all industries except agricultural services, forestry, and fishing during 1989-91. Overall, rural earnings per nonfarm job fell from 74.6 to 73.5 percent of urban earnings. The largest change was in mining, where average rural earnings were 4.3 percent higher than urban earnings in 1989 and fell to 1.1 percent below urban earnings in 1991, a change of 5.4 percentage points. Earnings per job in the finance, insurance, and real estate sector (FIRE) increased in urban areas and fell in rural areas, so that rural earnings in FIRE fell to 45.2 percent of the urban equivalent, a decrease of 2.3 percentage points.

FIRE averages by far the lowest rural earnings of any sector and the lowest ratio to urban earnings. To investigate why that is, I looked at work-related characteristics of people employed in FIRE in their longest held jobs during 1991 as reported in the March 1992 Current Population Survey. The metro-nonmetro definitions used by the CPS and BEA differ somewhat, the CPS results are only for the longest held job while the BEA estimates are for all jobs, and the CPS estimates are by place of residence while the BEA estimates are by place of work. Although the estimates are not directly comparable, the CPS results suggest at least partial explanations for lower rural earnings in FIRE.

Even in their longest held job, a higher proportion of nonmetro than metro residents employed in FIRE worked less than full-time, full-year (fewer than 35 hours per week and/or fewer than 50 weeks per year) during 1991 (31.1 percent vs. 26.5 percent). Metro workers were more likely to work in security, commodity brokerage, and investment companies, the FIRE industry with the highest average earnings, than nonmetro workers (8.5 vs. 3.3 percent). And, metro FIRE workers were more likely to hold higher paying executive, professional, and technical jobs while nonmetro workers were concentrated in lower paying administrative support occupations.

Other possible contributors to lower nonmetro earnings per job in FIRE are shorter term jobs and secondary jobs. More nonmetro than metro residents may sell insurance or real estate as a secondary source of income, holding their primary (longest) job in another industry. Those secondary jobs and their lower earnings (compared with the earnings of workers primarily employed in FIRE) are counted in the BEA estimates. Whether more nonmetro than metro workers hold such jobs cannot be determined because the CPS does not provide information on shorter term or secondary jobs.

### Recession Hurt Rural Earnings in the Great Lakes Region Most

Average earnings in rural parts of all U.S. regions fell during the 1990-91 recession. The rural Great Lakes experienced the largest decline, 3.3 percent, followed closely by rural areas of the Rocky Mountain region (3.1 percent). The rural Great Lakes also had the largest drop in earnings per nonfarm job during the 1980-82 recessions, but the decline in earnings was more than twice as large then. Only rural areas in the Southwest region experienced a somewhat larger decline in earnings during the 1990-91 recession than during the 1980-82 recessions, not because this recession was particularly hard on the Southwest, but because the 1980-82 recessions had such a small effect on earnings in the rural Southwest.

### Average Rural Earnings on Longrun Decline

Perhaps more interesting than the recessions was the limited 1982-89 recovery in rural America. Only three sectors experienced earnings recovery during the period: services, government, and agricultural services, forestry, and fishing. Regionally, earnings grew only in rural areas of New England and the Mideast.

The position of rural earnings compared with urban earnings continued to deteriorate. In 1991, both real earnings per nonfarm job in rural areas and the rural/urban earnings ratio were at their lowest points since 1969 (app. table 6). *[Michael L. Lahr left ERS before this issue went to press. Call Linda M. Ghelfi, 202-219-0520, if you have questions.]*

## Earnings per job by industry

**Most nonmetro industries experienced smaller decreases in real earnings per job during the 1990-91 recession than during the 1980-82 recessions**

| Industry | 1991 earnings per job: Nonmetro | 1991 earnings per job: Metro | Nonmetro/ metro earnings ratio | Change in nonmetro real earnings per job[1]: 1973-75 | 1975-79 | 1979-82 | 1982-89 | 1989-91 |
|---|---|---|---|---|---|---|---|---|
| | *------Dollars------* | | *Percent* | | | | | |
| All nonfarm industries | 19,586 | 26,633 | 73.5 | -0.6 | 4.6 | -5.4 | -2.2 | -2.4 |
| Agricultural services, forestry, & fishing | 12,808 | 14,818 | 86.4 | -6.0 | -16.6 | -32.3 | 21.1 | -1.3 |
| Mining | 33,068 | 33,433 | 98.9 | 19.6 | 6.6 | -5.2 | -20.1 | 3.0 |
| Construction | 21,584 | 29,295 | 73.7 | 2.4 | -3.6 | -13.8 | -3.8 | -6.9 |
| Manufacturing | 25,937 | 37,005 | 70.1 | -.1 | 10.2 | -1.7 | -1.1 | -1.5 |
| TCPU[2] | 29,383 | 36,572 | 80.3 | -1.3 | 4.4 | -2.9 | -6.7 | -3.9 |
| Wholesale | 23,116 | 35,040 | 66.0 | 1.3 | -1.0 | -7.1 | -5.3 | -1.4 |
| Retail | 12,616 | 15,223 | 82.9 | -5.4 | -2.7 | -10.4 | -2.6 | -4.9 |
| FIRE[3] | 10,254 | 22,707 | 45.2 | -9.0 | 11.2 | -16.6 | -1.6 | -5.9 |
| Services | 16,862 | 25,370 | 66.5 | .3 | 5.8 | -4.7 | 7.2 | -.5 |
| Government | 21,903 | 28,306 | 77.4 | -3.0 | 2.7 | 3.5 | 5.4 | 1.0 |

[1] All years' earnings converted to 1991 dollars using the implicit price deflator for personal consumption expenditures.

[2] Includes transportation, communication, and public utilities.

[3] Includes finance, insurance, and real estate.

Source: Calculated by ERS using data from the Bureau of Economic Analysis.

## Characteristics of FIRE workers, 1991

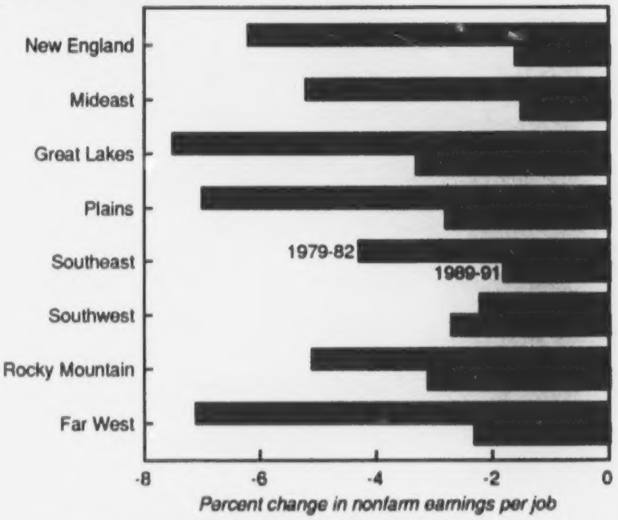
**Fewer nonmetro workers are in higher paying securities firms, executive occupations, and full-time, full-year jobs**

| Item | Nonmetro | Metro |
|---|---|---|
| | *Percent distribution of workers* | |
| Workers with longest job in FIRE | 100.0 | 100.0 |
| Detailed industry: | | |
| Banking | 35.4 | 24.5 |
| Savings & loan | 5.0 | 3.8 |
| Other credit agencies | 4.5 | 4.8 |
| Securities, commodity broker, and investment companies | 3.3 | 8.5 |
| Insurance | 28.8 | 30.9 |
| Real estate | 22.0 | 27.5 |
| Major occupation: | | |
| Executive, professional, and technical | 23.8 | 30.6 |
| Sales | 25.1 | 22.7 |
| Administrative support and clerical | 44.7 | 38.4 |
| Other | 6.4 | 8.3 |
| Hours and weeks worked: | | |
| Full time, full year | 68.9 | 73.5 |
| Part time and/or part year | 31.1 | 26.5 |

Source: Calculated by ERS using the March 1992 Current Population Survey.

## Change in nonmetro earnings by region

**In all regions except the Southwest, the effect of the 1990-91 recession on nonfarm earnings was much milder than the effect of the 1980-82 recessions**



Source: Calculated by ERS using data from the Bureau of Economic Analysis.

# Appendix: Data Sources and Definitions

## Data Sources

**Macroeconomic conditions:** The economic indicators used to monitor macroeconomic changes in the U.S. economy are derived from Federal sources. Measures of inflation, including the Consumer and Producer Price Indexes, and employment and unemployment data are developed by the U.S. Department of Labor's Bureau of Labor Statistics (BLS). National income and product account information on capital investment, gross domestic product, and net exports is produced by the Bureau of Economic Analysis (BEA), U.S. Department of Commerce. Information relating to monetary policy, including changes in interest rates and foreign exchange rates, and data on industrial production are furnished by the Federal Reserve Board of Governors.

**Employment and earnings data:** Data on nonmetro employment, unemployment, and earnings come from three sources. The monthly Current Population Survey (CPS), conducted by the Bureau of the Census for the U.S. Department of Labor, provides detailed information on the labor force, employment, unemployment, and demographic characteristics of the metro and nonmetro population. CPS derives estimates based on a national sample of about 58,000 households that are representative of the U.S. civilian noninstitutional population 16 years of age and over. Labor force information is based on respondents' activity during 1 week each month.

BLS county-level employment data are taken from unemployment insurance claims and State surveys of establishment payrolls which are then benchmarked to State totals from the CPS. Thus, at the national and State levels, annual average BLS and CPS estimates are the same. The BLS data series provides monthly estimates of labor force, employment, and unemployment for individual counties.

BEA employment data, unlike the household data collected by the CPS and BLS, provide establishment data on the number of jobs rather than the number of workers. The BEA data are taken primarily from administrative reports filed by employers covered under unemployment insurance laws and from information from the Internal Revenue Service and the Social Security Administration. Thus, jobs and earnings for these jobs are counted at the place of work and are based on a virtual universal count rather than a sample. The BEA data provide detailed information on the number of jobs and amount of earnings by industry at the county level. A shortcoming of the BEA data is the 2-year lag between when they are collected and when they are available for analysis.

Each of these data sets has its advantages and disadvantages. CPS furnishes detailed employment, unemployment, and demographic data for metro and nonmetro portions of the Nation. The BEA provides estimates of the number of jobs and earnings by industry for individual county areas. BLS provides less detailed employment data than CPS, but offers very current employment and unemployment information at the county level. While these data sources are likely to provide different estimates of employment conditions at any point in time, they generally indicate similar trends.

## Definitions

Throughout ***Rural Conditions and Trends***, we use "rural" and "nonmetro" interchangeably. The same holds for "urban" and "metro." However, in tables we use "nonmetro" and "metro," the original and more accurate terms used in the data sources.

**Adjusted unemployment rate:** The number of unemployed people, discouraged workers who have given up looking for work, and half of the workers who work part time but want full-time work as a percentage of the civilian labor force plus discouraged workers.

**Civilian labor force:** Noninstitutional civilians age 16 or older who are either employed or unemployed. Individuals who are neither employed nor unemployed are out of the labor force.

**Consumer Price Index (CPI):** A measure of the average price level of a basket of consumer goods and services at the retail level for a specific period compared against a benchmark period.

**Foreign exchange rate:** The rate at which one currency is traded for another. The Federal Reserve publishes a measure of the overall foreign exchange rate of the U.S. dollar based on the rates of the 10 major U.S. trading partners.

**Gross domestic product (GDP):** The value of final output produced by people, government, and firms in the United States, whether they are U.S. or foreign citizens, or U.S.- or foreign-owned firms. Output of U.S. citizens or firms located outside the United States is not included. This statistic is reported quarterly but is revised in each of the 2 months following the initial release. Nominal GDP measures final goods and services at current prices. Real GDP measures final goods and services at 1987 prices to adjust for inflation.

**Inflation rate:** The percentage change in a measure of the average price level. Changes are reported on a monthly basis and are stated as annual rates for longer term comparisons. The two major measures of the average price level are the Consumer and Producer Price Indexes.

**Labor force participation rate:** The civilian labor force as a percentage of the civilian noninstitutional population age 16 and older.

**Metro areas:** Metropolitan Statistical Areas (MSA's), as defined by the Office of Management and Budget, include core counties containing a city of 50,000 or more people and a total area population of at least 100,000. Additional contiguous counties are included in the MSA if they are economically and socially integrated with the core county. Metro areas are divided into central cities and areas outside central cities (suburbs). Throughout this publication, "urban" and "metro" have been used interchangeably to refer to people and places within MSA's.

**Nonmetro areas:** Counties outside metro area boundaries. Throughout this publication, "rural" and "nonmetro" are used interchangeably to refer to people and places outside of MSA's.

**Producer Price Index:** A measure of the average price received by producers of finished goods at the wholesale level during a specific period compared against a benchmark period.

**Region:** Both regions defined by the Bureau of the Census and regions defined by the Bureau of Economic Analysis are used in this issue. The States in each region are as follows:

***Bureau of the Census regions***

Northeast—Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont.

Midwest—Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.

South—Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia.

West—Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.

***Bureau of Economic Analysis (BEA) regions***

New England—Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont.

Mideast—Delaware, District of Columbia, Maryland, New Jersey, New York, and Pennsylvania.

Great Lakes—Illinois, Indiana, Michigan, Ohio, and Wisconsin.

Plains—Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, and South Dakota.

Southeast—Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, and West Virginia.

Southwest—Arizona, New Mexico, Oklahoma, and Texas.

Rocky Mountain—Colorado, Idaho, Montana, Utah, and Wyoming.

Far West—Alaska, California, Hawaii, Nevada, Oregon, and Washington.

**Unemployment rate:** The number of unemployed people 16 years and older as a percentage of the civilian labor force 16 years and older.

## Appendix Tables

### Appendix table 1—Nonmetro employment: Quarterly and annual averages

| Year/ quarter | Population 16+ | Labor force | Labor force participation | Employed | Employment-population ratio | Unemployed | Unemployment rate | Adjusted unemployment rate[1] |
|---|---|---|---|---|---|---|---|---|
| | Thousands | Thousands | Percent | Thousands | Percent | Thousands | Percent | Percent |
| 1993: | | | | | | | | |
| 2nd | 42,913 | 27,158 | 63.3 | 25,381 | 59.1 | 1,777 | 6.5 | 10.2 |
| 1st | 42,953 | 26,947 | 62.7 | 24,850 | 57.9 | 2,097 | 7.8 | 11.8 |
| 1992: | | | | | | | | |
| 4th | 42,737 | 27,181 | 63.6 | 25,460 | 59.6 | 1,772 | 6.3 | 10.1 |
| 3rd | 42,653 | 27,344 | 64.1 | 25,452 | 59.7 | 1,892 | 6.9 | 10.6 |
| 2nd | 42,322 | 26,939 | 63.7 | 25,047 | 59.2 | 1,893 | 7.0 | 10.7 |
| 1st | 42,114 | 26,232 | 62.3 | 24,052 | 57.1 | 2,179 | 8.3 | 12.4 |
| 1991: | | | | | | | | |
| 4th | 42,328 | 26,442 | 62.5 | 24,745 | 58.5 | 1,697 | 6.4 | 10.1 |
| 3rd | 41,904 | 26,364 | 62.9 | 24,683 | 58.9 | 1,681 | 6.4 | 10.3 |
| 2nd | 42,017 | 26,529 | 63.1 | 24,673 | 58.7 | 1,856 | 7.0 | 10.7 |
| 1st | 42,073 | 26,049 | 61.9 | 23,898 | 56.8 | 2,151 | 8.3 | 12.3 |
| 1990: | | | | | | | | |
| 4th | 42,106 | 26,361 | 62.6 | 24,776 | 58.8 | 1,585 | 6.0 | 9.7 |
| 3rd | 42,079 | 26,607 | 63.2 | 25,158 | 59.8 | 1,450 | 5.4 | 8.8 |
| 2nd | 41,774 | 26,417 | 63.2 | 24,934 | 59.7 | 1,483 | 5.6 | 8.9 |
| 1st | 41,660 | 25,893 | 62.2 | 24,196 | 58.1 | 1,697 | 6.6 | 10.0 |
| 1989: | | | | | | | | |
| 4th | 41,646 | 26,168 | 62.8 | 24,778 | 59.9 | 1,390 | 5.3 | 8.6 |
| 3rd | 41,755 | 26,783 | 64.1 | 25,323 | 60.6 | 1,459 | 5.4 | 8.7 |
| 2nd | 41,588 | 26,389 | 63.5 | 24,919 | 59.9 | 1,470 | 5.6 | 8.9 |
| 1st | 40,912 | 25,441 | 62.2 | 23,807 | 58.2 | 1,634 | 6.4 | 10.2 |
| 1988: | | | | | | | | |
| 4th | 40,629 | 25,510 | 62.8 | 24,024 | 59.2 | 1,469 | 5.8 | 9.4 |
| 3rd | 40,812 | 25,793 | 63.2 | 24,294 | 59.5 | 1,499 | 5.8 | 9.6 |
| 2nd | 40,877 | 25,513 | 62.4 | 23,978 | 58.7 | 1,535 | 6.0 | 9.8 |
| 1st | 40,522 | 24,819 | 61.2 | 22,996 | 56.7 | 1,823 | 7.3 | 11.6 |
| 1987: | | | | | | | | |
| 4th | 40,280 | 25,087 | 62.3 | 23,449 | 58.2 | 1,638 | 6.5 | 10.6 |
| 3rd | 40,214 | 25,277 | 62.9 | 23,634 | 58.8 | 1,643 | 6.5 | 10.5 |
| 2nd | 40,497 | 25,186 | 62.2 | 23,437 | 57.9 | 1,749 | 6.9 | 10.9 |
| 1st | 40,745 | 24,856 | 61.0 | 22,688 | 55.7 | 2,167 | 8.7 | 13.1 |
| 1992 | 42,456 | 26,924 | 63.4 | 25,003 | 58.9 | 1,922 | 7.1 | 11.0 |
| 1991 | 42,080 | 26,346 | 62.6 | 24,500 | 58.2 | 1,846 | 7.0 | 10.8 |
| 1990 | 41,905 | 26,319 | 62.8 | 24,766 | 59.1 | 1,554 | 5.9 | 9.4 |
| 1989 | 41,482 | 26,209 | 63.2 | 24,718 | 59.6 | 1,491 | 5.7 | 9.1 |
| 1988 | 40,710 | 25,409 | 62.4 | 23,827 | 58.5 | 1,582 | 6.2 | 10.1 |
| 1987 | 40,434 | 25,101 | 62.1 | 23,302 | 57.6 | 1,799 | 7.2 | 11.3 |
| 1986 | 40,646 | 25,171 | 61.9 | 23,091 | 56.8 | 2,080 | 8.3 | 12.8 |
| 1985 | 40,493 | 24,781 | 61.2 | 22,700 | 56.1 | 2,081 | 8.4 | 13.0 |
| 1984 | 55,946 | 34,725 | 62.1 | 31,930 | 57.1 | 2,796 | 8.1 | 12.2 |
| 1983 | 55,294 | 34,156 | 61.8 | 30,696 | 55.5 | 3,460 | 10.1 | 14.9 |
| 1982 | 54,727 | 33,740 | 61.7 | 30,335 | 55.4 | 3,405 | 10.1 | 14.9 |
| 1981 | 53,449 | 33,092 | 61.9 | 30,488 | 57.0 | 2,603 | 7.9 | 11.5 |
| 1980 | 52,706 | 32,512 | 61.7 | 30,150 | 57.2 | 2,362 | 7.3 | 10.7 |
| 1979 | 51,563 | 31,716 | 61.5 | 29,916 | 58.0 | 1,800 | 5.7 | 8.5 |

Note: Beginning in 1985, estimation procedures for the Current Population Survey are based on the 1980 Census. That change accounts for the large drop in the nonmetro population and labor force between 1984 and 1985. Quarterly data shown in this table are not seasonally adjusted and, therefore, do not match seasonally adjusted numbers analyzed in the "Employment" and "Unemployment" articles.

[1] Unemployment rate adjusted to include discouraged workers and half of the workers employed part time for economic reasons.

Source: Current Population Survey.

## Appendix table 2—Metro employment: Quarterly and annual averages

| Year/ quarter | Population 16+ | Labor force | Labor force participation | Employed | Employment-population ratio | Unemployed | Unemployment rate | Adjusted unemployment rate[1] |
|---|---|---|---|---|---|---|---|---|
| | *——Thousands——* | | *Percent* | *Thousands* | *Percent* | *Thousands* | *——Percent——* | |
| 1993: | | | | | | | | |
| 2nd | 150,375 | 100,888 | 67.1 | 93,834 | 62.4 | 7,054 | 7.0 | 10.2 |
| 1st | 149,843 | 99,460 | 66.4 | 91,905 | 61.3 | 7,555 | 7.6 | 10.8 |
| 1992: | | | | | | | | |
| 4th | 149,582 | 99,763 | 66.7 | 92,726 | 62.0 | 7,037 | 7.1 | 10.1 |
| 3rd | 149,134 | 101,028 | 67.7 | 93,478 | 62.7 | 7,550 | 7.5 | 10.7 |
| 2nd | 148,989 | 100,255 | 67.3 | 92,745 | 62.2 | 7,510 | 7.5 | 10.5 |
| 1st | 148,774 | 99,186 | 66.7 | 91,432 | 61.5 | 7,754 | 7.8 | 11.1 |
| 1991: | | | | | | | | |
| 4th | 148,121 | 98,915 | 66.8 | 92,327 | 62.3 | 6,589 | 6.7 | 9.8 |
| 3rd | 148,074 | 99,912 | 67.5 | 93,299 | 63.0 | 6,613 | 6.6 | 9.7 |
| 2nd | 147,506 | 99,017 | 67.1 | 92,522 | 62.7 | 6,496 | 6.6 | 9.4 |
| 1st | 147,039 | 97,984 | 66.6 | 91,362 | 62.1 | 6,622 | 6.8 | 9.7 |
| 1990: | | | | | | | | |
| 4th | 146,589 | 98,463 | 67.2 | 92,956 | 63.4 | 5,507 | 5.6 | 8.2 |
| 3rd | 146,187 | 99,290 | 67.9 | 93,872 | 64.2 | 5,417 | 5.5 | 8.0 |
| 2nd | 146,051 | 98,504 | 67.4 | 93,480 | 64.0 | 5,024 | 5.1 | 7.4 |
| 1st | 145,751 | 97,615 | 67.0 | 92,238 | 63.3 | 5,332 | 5.5 | 7.8 |
| 1989: | | | | | | | | |
| 4th | 145,371 | 98,191 | 67.5 | 93,242 | 64.1 | 4,949 | 5.0 | 7.3 |
| 3rd | 144,848 | 98,373 | 67.9 | 93,366 | 64.5 | 5,007 | 5.1 | 7.5 |
| 2nd | 144,589 | 97,391 | 67.4 | 92,449 | 63.9 | 4,942 | 5.1 | 7.5 |
| 1st | 144,861 | 96,633 | 66.7 | 91,411 | 63.1 | 5,223 | 5.4 | 7.9 |
| 1988: | | | | | | | | |
| 4th | 144,625 | 96,886 | 67.0 | 92,139 | 63.7 | 4,748 | 4.9 | 7.4 |
| 3rd | 144,028 | 97,249 | 67.5 | 92,132 | 64.0 | 5,117 | 5.3 | 8.0 |
| 2nd | 143,512 | 95,843 | 66.8 | 90,801 | 63.3 | 5,042 | 5.3 | 7.8 |
| 1st | 143,445 | 95,061 | 66.3 | 89,492 | 62.4 | 5,569 | 5.9 | 8.6 |
| 1987: | | | | | | | | |
| 4th | 143,187 | 95,433 | 66.6 | 90,347 | 63.1 | 5,086 | 5.3 | 7.9 |
| 3rd | 142,802 | 95,924 | 67.2 | 90,434 | 63.3 | 5,490 | 5.7 | 8.6 |
| 2nd | 142,030 | 94,546 | 66.6 | 88,869 | 62.6 | 5,677 | 6.0 | 8.7 |
| 1st | 141,257 | 93,152 | 65.9 | 86,904 | 61.5 | 6,249 | 6.7 | 9.6 |
| 1992 | 149,120 | 100,058 | 67.1 | 92,595 | 62.1 | 7,463 | 7.5 | 10.6 |
| 1991 | 147,685 | 98,957 | 67.0 | 92,377 | 62.6 | 6,580 | 6.6 | 9.6 |
| 1990 | 146,144 | 98,468 | 67.4 | 93,148 | 63.7 | 5,320 | 5.4 | 7.9 |
| 1989 | 144,911 | 97,660 | 67.4 | 92,624 | 63.9 | 5,036 | 5.2 | 7.5 |
| 1988 | 143,903 | 96,260 | 66.9 | 91,141 | 63.3 | 5,119 | 5.3 | 7.9 |
| 1987 | 142,319 | 94,764 | 66.6 | 89,138 | 62.6 | 5,625 | 5.9 | 8.7 |
| 1986 | 139,941 | 92,665 | 66.2 | 86,508 | 61.8 | 6,157 | 6.6 | 9.5 |
| 1985 | 137,713 | 90,684 | 65.9 | 84,453 | 61.3 | 6,231 | 6.9 | 9.9 |
| 1984 | 120,437 | 78,819 | 65.4 | 73,076 | 60.7 | 5,743 | 7.3 | 10.4 |
| 1983 | 118,922 | 77,394 | 65.1 | 70,137 | 59.0 | 7,257 | 9.4 | 13.1 |
| 1982 | 117,544 | 76,465 | 65.1 | 69,192 | 58.9 | 7,273 | 9.5 | 13.1 |
| 1981 | 112,987 | 73,301 | 64.9 | 67,825 | 60.0 | 5,476 | 7.5 | 10.3 |
| 1980 | 111,438 | 72,207 | 64.8 | 67,120 | 60.2 | 5,087 | 7.0 | 9.5 |
| 1979 | 109,969 | 71,192 | 64.7 | 67,029 | 61.0 | 4,163 | 5.8 | 8.0 |

Note: Beginning in 1985, estimation procedures for the Current Population Survey are based on the 1980 Census. Quarterly data shown in this table are not seasonally adjusted and, therefore, do not match seasonally adjusted numbers analyzed in the "Employment" and "Unemployment" articles.

[1] Unemployment rate adjusted to include discouraged workers and half of the workers employed part time for economic reasons.

Source: Current Population Survey.

## Appendix table 3—Average unemployment rates for nonmetro county groups

| Item | 1990 | 1991 | 1992 |
|---|---|---|---|
| | | *Percent* | |
| U.S. total | 5.5 | 6.7 | 7.4 |
| Metro | 5.2 | 6.5 | 7.2 |
| Nonmetro | 6.5 | 7.6 | 8.0 |
| Region: | | | |
| Northeast | 6.1 | 8.1 | 8.3 |
| Midwest | 6.1 | 6.8 | 6.9 |
| South | 6.7 | 7.9 | 8.2 |
| West | 7.1 | 8.0 | 9.3 |
| County type: | | | |
| Farming | 6.3 | 6.9 | 7.3 |
| Manufacturing | 6.7 | 7.9 | 8.1 |
| Mining | 7.7 | 9.3 | 10.3 |
| Retirement | 6.8 | 7.9 | 8.3 |
| Urban-rural continuum codes: | | | |
| Adjacent— | | | |
| Urban | 6.3 | 7.6 | 8.1 |
| Less urban | 6.7 | 7.8 | 8.1 |
| Rural | 6.7 | 7.9 | 8.3 |
| Nonadjacent— | | | |
| Urban | 6.5 | 7.4 | 8.1 |
| Less urban | 6.6 | 7.5 | 7.8 |
| Rural | 6.5 | 7.6 | 7.7 |
| Minority counties: | | | |
| Black | 7.0 | 8.2 | 8.8 |
| Hispanic | 9.5 | 10.1 | 11.6 |
| Native American | 8.6 | 9.3 | 10.2 |

Source: Bureau of Labor Statistics.

## Appendix table 4—Average employment change for nonmetro county groups

| Item | 1989-90 | 1990-91 | 1991-92 |
|---|---|---|---|
| | | Percent | |
| U.S. total | 0.5 | -0.9 | 0.6 |
| Metro | .4 | -1.0 | .5 |
| Nonmetro | .6 | -.3 | 1.0 |
| Region: | | | |
| Northeast | .6 | -1.2 | -1.0 |
| Midwest | .2 | -.0[1] | 1.2 |
| South | .7 | -.4 | 1.0 |
| West | 1.0 | .4 | .6 |
| County type: | | | |
| Farming | .4 | -.6 | .6 |
| Manufacturing | .0[2] | -.9 | .8 |
| Mining | 1.7 | -.5 | -1.6 |
| Retirement | 1.1 | .3 | 2.1 |
| Urban-rural continuum codes: | | | |
| Adjacent— | | | |
| Urban | .2 | -.1 | .9 |
| Less urban | .2 | -.5 | 1.3 |
| Rural | .2 | .0[2] | 1.7 |
| Nonadjacent | | | |
| Urban | 1.1 | .1 | .6 |
| Less urban | .8 | -.3 | 1.1 |
| Rural | 1.4 | -.9 | .7 |
| Minority counties: | | | |
| Black | .0[2] | -.8 | .2 |
| Hispanic | .4 | 1.3 | 2.1 |
| Native American | .8 | -.1 | 2.2 |

[1] Decrease of less than 0.1 percent.

[2] Increase of less than 0.1 percent.

Source: Bureau of Labor Statistics.

## Appendix table 5—Nonfarm jobs by industry and BEA region

| Item | United States | | New England | | Mideast | | Great Lakes | | Plains | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Nonmetro | Metro | Nonmetro | Metro | Nonmetro | Metro | Nonmetro | Metro | Nonmetro | Metro |
| | | | | | *Thousands* | | | | | |
| 1991: | | | | | | | | | | |
| Total nonfarm | 22,821 | 111,175 | 1,055 | 6,518 | 1,660 | 21,915 | 3,824 | 18,521 | 3,496 | 6,528 |
| Agr. services, forestry, fishing | 374 | 1,076 | 18 | 56 | 12 | 192 | 44 | 137 | 39 | 31 |
| Mining | 406 | 561 | 2 | 7 | 28 | 32 | 39 | 36 | 35 | 23 |
| Construction | 1,254 | 5,485 | 75 | 288 | 90 | 1,003 | 191 | 835 | 176 | 305 |
| Manufacturing | 4,173 | 14,831 | 172 | 1,016 | 292 | 2,673 | 828 | 3,325 | 515 | 910 |
| TCPU[1] | 1,023 | 5,483 | 39 | 257 | 75 | 1,097 | 175 | 851 | 171 | 379 |
| Wholesale | 807 | 5,773 | 34 | 338 | 49 | 1,178 | 138 | 977 | 171 | 366 |
| Retail | 4,079 | 18,590 | 184 | 1,053 | 310 | 3,335 | 706 | 3,282 | 647 | 1,132 |
| FIRE[2] | 1,262 | 9,561 | 65 | 618 | 92 | 2,016 | 220 | 1,437 | 213 | 570 |
| Services[3] | 5,257 | 32,789 | 299 | 2,078 | 429 | 6,959 | 886 | 5,194 | 862 | 1,914 |
| Government | 4,186 | 17,026 | 166 | 807 | 283 | 3,431 | 597 | 2,448 | 667 | 899 |
| 1990: | | | | | | | | | | |
| Total nonfarm | 22,760 | 112,703 | 1,085 | 6,801 | 1,675 | 22,520 | 3,800 | 18,691 | 3,461 | 6,530 |
| Agr. services, forestry, fishing | 368 | 1,054 | 19 | 58 | 18 | 155 | 39 | 117 | 47 | 41 |
| Mining | 429 | 578 | 1 | 6 | 21 | 40 | 52 | 40 | 38 | 24 |
| Construction | 1,277 | 5,907 | 84 | 329 | 95 | 1,117 | 191 | 876 | 176 | 309 |
| Manufacturing | 4,272 | 15,459 | 182 | 1,084 | 304 | 2,828 | 845 | 3,456 | 516 | 936 |
| TCPU[1] | 1,018 | 5,527 | 39 | 268 | 75 | 1,126 | 174 | 859 | 167 | 377 |
| Wholesale | 803 | 5,911 | 36 | 356 | 49 | 1,235 | 137 | 987 | 169 | 367 |
| Retail | 4,047 | 18,947 | 192 | 1,122 | 310 | 3,453 | 695 | 3,324 | 638 | 1,134 |
| FIRE[2] | 1,245 | 9,575 | 66 | 631 | 91 | 2,039 | 216 | 1,418 | 209 | 563 |
| Services[3] | 5,150 | 32,739 | 300 | 2,117 | 428 | 7,053 | 859 | 5,172 | 835 | 1,887 |
| Government | 4,150 | 17,006 | 168 | 830 | 284 | 3,473 | 593 | 2,442 | 666 | 892 |
| 1989: | | | | | | | | | | |
| Total nonfarm | 22,316 | 110,907 | 1,095 | 6,957 | 1,659 | 22,465 | 3,715 | 18,379 | 3,384 | 6,399 |
| Agr. services, forestry, fishing | 346 | 994 | 17 | 57 | 17 | 147 | 39 | 110 | 44 | 38 |
| Mining | 433 | 606 | 1 | 7 | 23 | 42 | 26 | 44 | 44 | 26 |
| Construction | 1,260 | 5,974 | 93 | 377 | 98 | 1,170 | 187 | 863 | 169 | 307 |
| Manufacturing | 4,289 | 15,736 | 191 | 1,157 | 313 | 2,960 | 846 | 3,502 | 507 | 939 |
| TCPU[1] | 1,003 | 5,379 | 38 | 266 | 74 | 1,105 | 177 | 846 | 167 | 369 |
| Wholesale | 798 | 5,915 | 35 | 370 | 49 | 1,244 | 136 | 995 | 169 | 368 |
| Retail | 3,956 | 18,791 | 196 | 1,173 | 303 | 3,490 | 680 | 3,278 | 623 | 1,124 |
| FIRE[2] | 1,225 | 9,494 | 66 | 636 | 90 | 2,049 | 211 | 1,392 | 205 | 547 |
| Services[3] | 4,944 | 31,333 | 292 | 2,083 | 412 | 6,840 | 833 | 4,955 | 800 | 1,809 |
| Government | 4,062 | 16,685 | 165 | 831 | 278 | 3,419 | 579 | 2,394 | 656 | 872 |

See footnotes at end of table.

—Continued

## Appendix table 5—Nonfarm jobs by industry and BEA region—Continued

| Item | Southeast | | Southwest | | Rocky Mountain | | Far West | |
|---|---|---|---|---|---|---|---|---|
| | Nonmetro | Metro | Nonmetro | Metro | Nonmetro | Metro | Nonmetro | Metro |
| | | | | *Thousands* | | | | |
| 1991: | | | | | | | | |
| Total nonfarm | 7,747 | 23,499 | 2,086 | 10,962 | 1,304 | 2,809 | 1,650 | 20,422 |
| Agr. services, forestry, fishing | 77 | 183 | 93 | 95 | 15 | 24 | 75 | 357 |
| Mining | 177 | 111 | 49 | 264 | 49 | 27 | 28 | 62 |
| Construction | 433 | 1,350 | 118 | 570 | 80 | 136 | 92 | 999 |
| Manufacturing | 1,858 | 2,834 | 215 | 1,197 | 109 | 298 | 184 | 2,578 |
| TCPU[1] | 319 | 1,247 | 105 | 581 | 67 | 153 | 73 | 919 |
| Wholesale | 250 | 1,202 | 73 | 557 | 43 | 139 | 48 | 1,016 |
| Retail | 1,312 | 4,131 | 369 | 1,881 | 253 | 476 | 300 | 3,300 |
| FIRE[2] | 367 | 1,909 | 119 | 932 | 83 | 247 | 103 | 1,833 |
| Services[3] | 1,545 | 6,559 | 487 | 3,096 | 339 | 826 | 408 | 6,164 |
| Government | 1,408 | 3,975 | 459 | 1,789 | 266 | 483 | 340 | 3,194 |
| 1990: | | | | | | | | |
| Total nonfarm | 7,761 | 23,688 | 2,067 | 10,868 | 1,276 | 2,752 | 1,635 | 20,853 |
| Agr. services, forestry, fishing | 106 | 232 | 41 | 89 | 26 | 23 | 72 | 341 |
| Mining | 135 | 111 | 118 | 266 | 41 | 28 | 23 | 64 |
| Construction | 447 | 1,461 | 117 | 564 | 77 | 127 | 91 | 1,125 |
| Manufacturing | 1,907 | 2,918 | 216 | 1,216 | 110 | 300 | 193 | 2,722 |
| TCPU[1] | 320 | 1,237 | 102 | 570 | 67 | 151 | 74 | 939 |
| Wholesale | 251 | 1,215 | 71 | 551 | 42 | 137 | 49 | 1,063 |
| Retail | 1,309 | 4,203 | 366 | 1,868 | 244 | 467 | 294 | 3,377 |
| FIRE[2] | 363 | 1,906 | 117 | 930 | 82 | 243 | 102 | 1,844 |
| Services[3] | 1,529 | 6,450 | 469 | 3,042 | 328 | 801 | 403 | 6,217 |
| Government | 1,394 | 3,957 | 450 | 1,774 | 261 | 476 | 335 | 3,162 |
| 1989: | | | | | | | | |
| Total nonfarm | 7,628 | 23,210 | 2,032 | 10,546 | 1,227 | 2,672 | 1,577 | 20,280 |
| Agr. services, forestry, fishing | 98 | 219 | 39 | 84 | 24 | 21 | 68 | 318 |
| Mining | 149 | 112 | 124 | 281 | 41 | 30 | 24 | 65 |
| Construction | 437 | 1,471 | 122 | 548 | 70 | 123 | 85 | 1,115 |
| Manufacturing | 1,918 | 2,939 | 210 | 1,201 | 108 | 295 | 196 | 2,742 |
| TCPU[1] | 309 | 1,203 | 98 | 542 | 65 | 147 | 74 | 901 |
| Wholesale | 250 | 1,218 | 71 | 545 | 41 | 134 | 47 | 1,041 |
| Retail | 1,282 | 4,138 | 357 | 1,826 | 233 | 456 | 281 | 3,307 |
| FIRE[2] | 358 | 1,895 | 117 | 924 | 79 | 239 | 98 | 1,811 |
| Services[3] | 1,461 | 6,134 | 454 | 2,863 | 309 | 759 | 382 | 5,890 |
| Government | 1,365 | 3,881 | 441 | 1,732 | 255 | 467 | 323 | 3,089 |

Note: All data revised. Missing numbers estimated by ERS.

[1] Includes transportation, communication, and public utilities.

[2] Includes finance, insurance, and real estate.

[3] Includes health, legal, educational, recreational, business, repair, and personal services.

Source: Bureau of Economic Analysis.

## Appendix table 6—Real earnings per nonfarm job in nonmetro and metro areas

| Item | 1969 | 1970 | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 |
|---|---|---|---|---|---|---|---|---|
| | | | | *1991 dollars* | | | | |
| United States | 24,332 | 24,710 | 24,988 | 25,707 | 25,795 | 25,106 | 25,046 | 25,727 |
| Nonmetro | 19,374 | 19,709 | 19,996 | 20,599 | 20,874 | 20,556 | 20,743 | 21,553 |
| Metro | 25,392 | 25,781 | 26,071 | 26,823 | 26,865 | 26,096 | 25,988 | 26,654 |
| Metro-nonmetro earnings gap | 6,018 | 6,072 | 6,075 | 6,224 | 5,991 | 5,540 | 5,245 | 5,102 |
| | | | | *Percent* | | | | |
| Nonmetro/metro earnings ratio | 76.3 | 76.4 | 76.7 | 76.8 | 77.7 | 78.8 | 79.8 | 80.9 |
| Change from previous year: | | | | | | | | |
| United States | NA | 1.6 | 1.1 | 2.9 | .3 | -2.7 | -.2 | 2.7 |
| Nonmetro | NA | 1.7 | 1.5 | 3.0 | 1.3 | -1.5 | .9 | 3.9 |
| Metro | NA | 1.5 | 1.1 | 2.9 | .2 | -2.9 | -.4 | 2.6 |

| Item | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 |
|---|---|---|---|---|---|---|---|---|
| | | | | *1991 dollars* | | | | |
| United States | 25,832 | 26,035 | 25,854 | 25,388 | 25,152 | 25,064 | 25,200 | 25,501 |
| Nonmetro | 21,502 | 21,785 | 21,692 | 21,190 | 20,856 | 20,516 | 20,499 | 20,783 |
| Metro | 26,794 | 26,972 | 26,763 | 26,294 | 26,073 | 26,033 | 26,194 | 26,487 |
| Metro-nonmetro earnings gap | 5,291 | 5,187 | 5,070 | 5,104 | 5,217 | 5,518 | 5,695 | 5,705 |
| | | | | *Percent* | | | | |
| Nonmetro/metro earnings ratio | 80.3 | 80.8 | 81.1 | 80.6 | 80.0 | 78.8 | 78.3 | 78.5 |
| Change from previous year: | | | | | | | | |
| United States | .4 | .8 | -.7 | -1.8 | -.9 | -.4 | .5 | 1.2 |
| Nonmetro | -.2 | 1.3 | -.4 | -2.3 | -1.6 | -1.6 | -.1 | 1.4 |
| Metro | .5 | .7 | -.8 | -1.8 | -.8 | -.2 | .6 | 1.1 |

| Item | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 | 1991 |
|---|---|---|---|---|---|---|---|
| | | | | *1991 dollars* | | | |
| United States | 25,583 | 25,832 | 25,855 | 25,931 | 25,742 | 25,536 | 25,433 |
| Nonmetro | 20,688 | 20,752 | 20,430 | 20,238 | 20,060 | 19,772 | 19,586 |
| Metro | 26,585 | 26,857 | 26,945 | 27,074 | 26,885 | 26,700 | 26,633 |
| Metro-nonmetro earnings gap | 5,898 | 6,105 | 6,515 | 6,836 | 6,825 | 6,929 | 7,047 |
| | | | | *Percent* | | | |
| Nonmetro/metro earnings ratio | 77.8 | 77.3 | 75.8 | 74.8 | 74.6 | 74.1 | 73.5 |
| Change from previous year: | | | | | | | |
| United States | .3 | 1.0 | .1 | .3 | -.7 | -.8 | -.4 |
| Nonmetro | -.5 | .3 | -1.6 | -.9 | -.9 | -1.4 | -.9 |
| Metro | .4 | 1.0 | .3 | .5 | -.7 | -.7 | -.3 |

Note: Data for all years revised by BEA. All years' earnings converted to 1991 dollars using the implicit price deflator for personal consumption expenditures.

Source: Calculated by ERS using data from the Bureau of Economic Analysis.

## Appendix table 7—Comparison of revised and previous BEA jobs and earnings estimates

| | Revised estimates | | | | Previous estimates | | | | Change from previous estimates | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1979 | 1982 | 1989 | 1990 | 1979 | 1982 | 1989 | 1990 | 1979 | 1982 | 1989 | 1990 |
| | | | | | Thousands | | | | Percent | | | |
| Total jobs | 112,963 | 114,149 | 136,411 | 138,573 | 111,632 | 112,565 | 135,343 | 137,160 | 1.2 | 1.4 | 0.8 | 1.0 |
| Farming | 3,764 | 3,657 | 3,196 | 3,119 | 3,848 | 3,621 | 3,168 | 3,103 | -2.2 | 1.0 | .9 | .5 |
| Agr. services, forestry, fishing | 864 | 957 | 1,341 | 1,422 | 843 | 934 | 1,321 | 1,356 | 2.5 | 2.5 | 1.5 | 4.6 |
| Mining | 1,152 | 1,503 | 1,040 | 1,007 | 1,090 | 1,356 | 920 | 930 | 5.4 | 9.8 | 11.5 | 7.6 |
| Construction | 5,890 | 5,353 | 7,235 | 7,184 | 5,897 | 5,341 | 7,204 | 7,225 | -.1 | .2 | .4 | -.6 |
| Manufacturing | 21,493 | 19,266 | 20,025 | 19,731 | 21,490 | 19,254 | 20,004 | 19,742 | .0* | .1 | .1 | -.1 |
| TCPU[1] | 5,617 | 5,641 | 6,382 | 6,545 | 5,617 | 5,624 | 6,394 | 6,569 | .0* | .3 | -.2 | -.4 |
| Wholesale trade | 5,671 | 5,721 | 6,712 | 6,715 | 5,669 | 5,709 | 6,693 | 6,624 | .0* | .2 | .3 | 1.3 |
| Retail trade | 17,750 | 18,172 | 22,746 | 22,994 | 17,737 | 18,098 | 22,592 | 22,707 | .1 | .4 | .7 | 1.2 |
| FIRE[2] | 8,506 | 8,943 | 10,720 | 10,819 | 7,287 | 7,891 | 10,103 | 10,184 | 14.3 | 11.8 | 5.8 | 5.9 |
| Services[3] | 23,720 | 26,398 | 36,268 | 37,880 | 23,610 | 26,173 | 36,205 | 37,573 | .5 | .9 | .2 | .8 |
| Government | 18,536 | 18,537 | 20,747 | 21,156 | 18,544 | 18,564 | 20,739 | 21,148 | -.0** | -.1 | .0* | .0* |
| | | | | | Billions of dollars | | | | | | | |
| Total earnings | 1,553 | 1,921 | 3,172 | 3,364 | 1,560 | 1,917 | 3,188 | 3,380 | -.5 | .2 | -.5 | -.5 |
| Farming | 30 | 24 | 49 | 49 | 38 | 32 | 60 | 60 | -24.7 | -36.6 | -22.6 | -21.0 |
| Agr. services, forestry, fishing | 8 | 8 | 18 | 20 | 9 | 9 | 19 | 20 | -15.9 | -9.0 | -5.3 | -1.7 |
| Mining | 28 | 43 | 30 | 31 | 26 | 42 | 33 | 36 | 6.7 | 4.1 | -10.2 | -14.2 |
| Construction | 104 | 107 | 194 | 199 | 109 | 116 | 197 | 199 | -4.8 | -8.2 | -1.5 | -.2 |
| Manufacturing | 394 | 451 | 637 | 651 | 389 | 446 | 626 | 645 | 1.2 | 1.2 | 1.8 | 1.0 |
| TCPU[1] | 118 | 149 | 209 | 223 | 117 | 148 | 211 | 224 | .3 | .5 | -.7 | -.8 |
| Wholesale trade | 103 | 128 | 208 | 217 | 103 | 128 | 208 | 216 | .0* | .5 | -.1 | .5 |
| Retail trade | 159 | 190 | 317 | 327 | 159 | 186 | 301 | 313 | -.0** | 2.4 | 5.0 | 4.3 |
| FIRE[2] | 90 | 115 | 214 | 229 | 95 | 110 | 225 | 238 | -5.2 | 4.6 | -5.0 | -4.0 |
| Services[3] | 279 | 391 | 793 | 875 | 275 | 387 | 811 | 893 | 1.4 | 1.0 | -2.3 | -2.1 |
| Government | 241 | 314 | 504 | 543 | 241 | 314 | 498 | 535 | -.0** | -.1 | 1.1 | 1.4 |
| | | | | | Dollars | | | | | | | |
| Earnings per job | 13,744 | 16,825 | 23,254 | 24,278 | 13,974 | 17,030 | 23,554 | 24,645 | -1.7 | -1.2 | -1.3 | -1.5 |
| Farming | 8,080 | 6,439 | 15,217 | 15,837 | 9,857 | 8,885 | 18,818 | 19,268 | -22.0 | -38.0 | -23.7 | -21.7 |
| Agr. services, forestry, fishing | 8,831 | 8,708 | 13,324 | 13,998 | 10,491 | 9,730 | 14,243 | 14,929 | -18.8 | -11.7 | -6.9 | -6.7 |
| Mining | 23,925 | 28,807 | 28,546 | 31,223 | 23,600 | 30,633 | 35,560 | 38,578 | 1.4 | -6.3 | -24.6 | -23.6 |
| Construction | 17,618 | 20,061 | 26,849 | 27,646 | 18,442 | 21,758 | 27,362 | 27,557 | -4.7 | -8.5 | -1.9 | .3 |
| Manufacturing | 18,318 | 23,402 | 31,803 | 33,010 | 18,095 | 23,142 | 31,277 | 32,663 | 1.2 | 1.1 | 1.7 | 1.1 |
| TCPU[1] | 20,922 | 26,332 | 32,798 | 34,007 | 20,853 | 26,285 | 32,952 | 34,146 | .3 | .2 | -.5 | -.4 |
| Wholesale trade | 18,188 | 22,458 | 30,952 | 32,371 | 18,186 | 22,395 | 31,079 | 32,645 | .0* | .3 | -.4 | -.8 |
| Retail trade | 8,955 | 10,471 | 13,949 | 14,239 | 8,965 | 10,263 | 13,337 | 13,805 | -.1 | 2.0 | 4.4 | 3.1 |
| FIRE[2] | 10,587 | 12,862 | 19,973 | 21,151 | 12,998 | 13,914 | 22,245 | 23,370 | -22.8 | -8.2 | -11.4 | -10.5 |
| Services[3] | 11,772 | 14,809 | 21,860 | 23,091 | 11,658 | 14,784 | 22,408 | 23,779 | 1.0 | .2 | -2.5 | -3.0 |
| Government | 12,981 | 16,931 | 24,270 | 25,651 | 12,977 | 16,924 | 24,010 | 25,298 | .0* | .0* | 1.1 | 1.4 |

* = Increase of less than 0.1 percent. ** = Decrease of less than 0.1 percent.

[1] Includes transportation, communication, and public utilities.

[2] Includes finance, insurance, and real estate.

[3] Includes health, legal, educational, recreational, business, repair, and personal services.

Source: Calculated by ERS using data from the Bureau of Economic Analysis.

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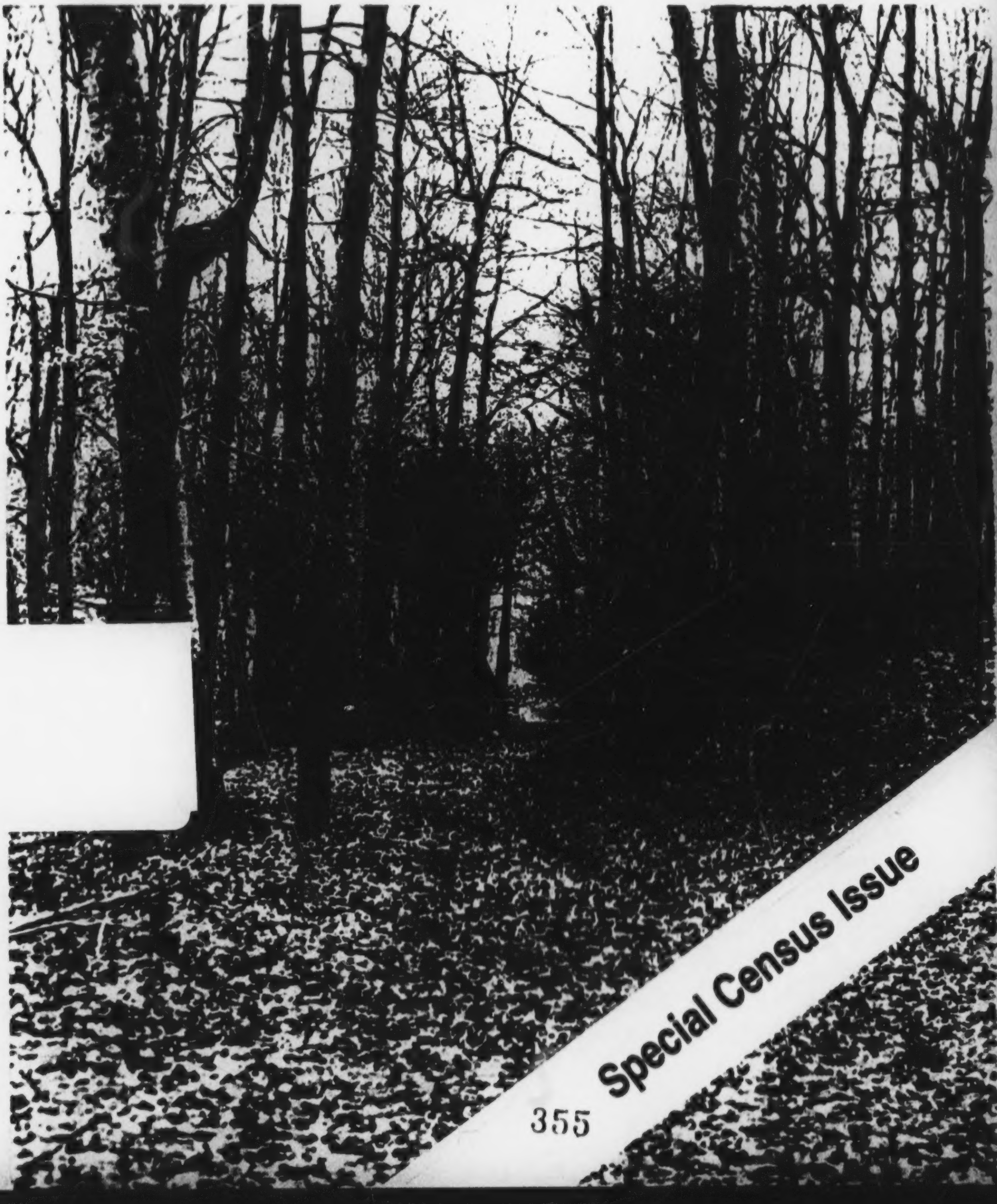

Special Census Issue

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## Authors and Acknowledgments

This special Fall issue of *Rural Conditions and Trends* was planned and written by four ERS researchers. We usually put authors' names and telephone numbers at the end of each article, but with so many articles by so few authors, it is simpler to list them here:

| Author | Telephone number | Articles Written |
|---|---|---|
| Linda M. Ghelfi | 202-219-0520 | Overview, County Classifications, and all Housing articles |
| John B. Cromartie | 202-219-0534 | All Population articles |
| Michael L. Lahr | ✿ | Employment articles on commuting and industry, and all Income and Poverty articles |
| Timothy S. Parker | 202-219-0541 | Education article and Employment articles on labor force participation and occupation |

✿ Mike Lahr left ERS before this issue went to press. If you have questions concerning the sections he wrote, contact Linda Ghelfi.

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# Nonmetro Renaissance Evaporated During the 1980's

*Nonmetro population, education, employment, income, poverty, and housing characteristics changed during the 1980's, usually improving more slowly or declining more quickly than comparable metro characteristics, according to Census data. The narrowing of metro-nonmetro economic gaps that occurred in all previous decades of this century and the faster nonmetro population growth that marked the "rural renaissance" of the 1970's did not continue during the 1980's. However, change was not uniform; nonmetro counties adjacent to large metro areas, those in the West, and those that were retirement destinations did better than average during the 1980's. More rural, remote counties, those in the Midwest, and those that were mining-dependent generally did worse than average.*

This special Fall issue of *Rural Conditions and Trends* documents changes in the economic and social characteristics of the nonmetro and metro populations during the 1980's compared with changes during the 1970's. The data are from the U.S. Censuses of Population and Housing for 1990, 1980, and 1970. The censuses provide the only county-level data on detailed population characteristics (such as age, race and ethnicity, fertility, migration, educational attainment, occupation, and family income) and housing characteristics.

### Nonmetro Population Growth Lagged During the 1980's and Economic Gaps Widened

Nonmetro population grew more slowly than metro population during the 1980's, as the rural renaissance of the 1970's evaporated. Net outmigration returned as a common factor in dampening nonmetro population growth during the 1980's. Young adults, ages 18 to 34, comprised a smaller proportion of the nonmetro population in 1990 than they had in 1980. Managerial and executive occupations continued to concentrate in metro areas, leaving nonmetro areas with lower proportions of high-wage jobs. Nonmetro poverty rose after having fallen during the 1970's. And, although nonmetro housing is still more likely to be owned than metro housing, mobile homes account for a large and increasing portion of the difference in ownership.

If only national level trends in metro and nonmetro characteristics were of interest, other data sources, such as the Current Population Survey, provide much the same picture of the 1980's. But, at more detailed levels of geography, the Census data show that nonmetro areas experienced differing trends.

### Population Grew Faster in Nonmetro Counties Adjacent to Large Metro Areas; Higher Paying Jobs Increased in Nonmetro Counties With Their Own Cities

Nonmetro counties adjacent to large metro areas experienced faster population growth than other nonmetro counties. They had the highest net inmigration during the 1980's, even higher than metro areas. Young adults increased as a proportion of their population while that age group became scarcer in nonmetro areas overall.

In employment-related characteristics, nonmetro counties that are not adjacent to metro areas but contain their own cities of 10,000-49,999 residents had the highest labor force participation rate and the highest proportions of college graduates, professional and managerial workers, and health and education services workers of any of the nonmetro county types we analyzed.

### All Levels Experienced Slow Income Growth and Increasing Poverty

The faster population growth in counties adjacent to large metro areas and the increase in higher paying jobs in the nonadjacent counties with cities did not result in fast growing incomes or falling poverty rates. Counties at all levels of urban influence from the large metro areas down to the more rural, remote areas experienced little growth in real family income and increases in the percentage of poor residents during the 1980's. The nonadjacent counties with cities experienced the largest increase in poverty rates (2 percentage points). The apparent contradiction of good jobs but rising poverty rates may be related to the disparity between the incomes of those holding the higher income jobs and the incomes of the larger numbers of people in lower paying service occupations.

### The Nonmetro Midwest Fell Behind

The 1980's were particularly hard on the Midwest. The population of nonmetro counties adjacent to large metro areas in the Midwest increased slightly, but counties at the other urban influence levels lost residents. Net outmigration from the Midwest occurred at all levels of urban influence, with the percentage of population leaving increasing as the level of urban influence declined from counties adjacent to large metro areas to more rural, remote counties. The number of young adults living in the Midwest declined over the decade, also by larger percentages as urban influence declined. Young adults are the age group most likely to migrate, so the outmigration is undoubtedly partially responsible for the decline in the numbers of young adults. Real median family income (in 1989 dollars) declined in all nonmetro areas of the Midwest, but not progressively across levels of urban influence.

Nonmetro areas in the West and South generally did better than nonmetro areas in the Midwest and Northeast. The nonmetro West led in population increase, almost 15 percent during the 1980's, with increases at each level of urban influence. Nonmetro population also increased in the South, but there growth was concentrated in counties adjacent to large metro areas. Nonmetro counties adjacent to large metro areas in the West and South experienced high levels of net inmigration. Population growth and inmigration in nonmetro counties adjacent to large Southern areas were accompanied by rising median real family income and a stable poverty rate. However, in the nonmetro West, growth was accompanied by declining family income in the nonadjacent counties and increasing poverty at all levels of urban influence.

Nonmetro Northeast counties experienced more moderate population growth and inmigration rates than the Southern and Western counties, but median real family income grew by at least 7 percent in all urban influence groups and the poverty rate declined in all but the counties adjacent to large Northeastern metro areas. The large influx of people to nonmetro areas in the South and West may have flooded small labor markets, making it difficult for some to find employment while slower growth in the nonmetro Northeast population may have been more closely matched to labor demand.

### Retirement-Destination Counties Continued to Excel; Mining-Dependent Counties Declined

Counties that were retirement destinations during the 1970's continued to grow rapidly in the 1980's. Along with retirees, they attract other age groups because many of these counties contain recreational areas and jobs in the service sector accompany population growth. Inmigration to retirement-destination counties continued at a high rate (although not as fast as during the 1970's); all other socioeconomic types (farming-, mining-, and manufacturing-dependent counties and persistent low-income counties) lost population from net outmigration during the 1980's. The labor force grew 25 percent in retirement-destination counties, much faster than the 12 percent for all nonmetro areas, and the distribution of employment shifted towards managerial, technical, sales, and service occupations and away from craft, repairer, machine operator, and laborer occupations. Median real family income increased 4 percent, and the poverty rate was only 0.3 percentage point higher in 1989 than in 1979. The influx of people to retirement-destination counties appears to have been quite well matched by employment opportunities.

In contrast, mining-dependent counties lost population. The number of persons employed in the mining industry declined 42 percent over the decade, median real family income fell 15 percent, and the poverty rate increased 5.4 percentage points. Overall, the mining-dependent counties experienced the most, and often the deepest, negative changes of all the groups of counties discussed in this report.

### Outlook for the 1990's

When the previous ERS report on decade changes was published in 1986 (see below), the authors reported on the convergence of metro and nonmetro socioeconomic characteristics during the 1970's, but tempered their optimism about continued convergence in the future by looking at the reemergence of faster metro population growth during the first few years of the 1980's. And, the 1980's did prove to be a decade of widening metro-nonmetro gaps. But what, if anything, does that mean for the 1990's?

In the Spring issue, we reported that the metro unemployment rate surpassed the nonmetro rate in 1992, and nonmetro household income and poverty rates were stable in 1991 while metro income decreased and poverty increased. In a paper presented at the annual meetings of the Southern Demographic Association (New Orleans, Oct. 27, 1993), Kenneth Johnson and Calvin Beale reported that the nonmetro population grew at a rate much closer to the metro rate during 1990-91 than it had during the 1980's and that two-thirds of nonmetro counties gained population during 1990-91 compared with only 46 percent of them during the 1980's. These trends are only for the first year or two of the decade, so they may not represent what will happen over the entire 10-year period. But they do suggest that, like the early 1980's data did, the current decade need not follow the same trend as the previous one.

If employment opportunities do not keep pace with the growth of job seekers in metro areas, metro wage rates will be bid down by the excess supply of workers. In an analysis of the role of education in rural development during the 1980's, McGranahan and Ghelfi ["The Education Crisis and Rural Stagnation in the 1980's," in *Education and Rural Economic Development: Strategies for the 1990's*, AGES No. 9153, U.S. Dept. Agr., Econ. Res. Serv., Sept. 1991, pp.40-92] found that excess supply of highly educated workers in metro areas during the 1970's depressed the earnings premium for education. The lower earnings premium decreased the attractiveness of metro employment and played a part in the population growth of nonmetro areas during the 1970's by lowering the earnings penalty for those moving to or remaining in nonmetro areas. In the 1980's, the national supply of highly educated workers diminished, increasing the wage premium for education and again making metro areas, where jobs requiring higher education are concentrated, more attractive. The baby-boom generation appears to have had much to do with these trends because the labor force entry of that large cohort during the 1970's coincided with the fall of the earnings premium.

There is no unusually large cohort that will reach employment age during the 1990's, so it is unlikely that excess supply of highly educated workers will again lower the metro earnings premium. Also, the 1990-91 recession, sluggish growth in the national economy since then (as of the finishing of this report in October 1993), and recent increases in worker productivity have dampened employment growth, keeping the demand for new workers low. If slow growth and increasing productivity continue through the remainder of the decade, there will be little pressure for jobs requiring more educated workers to spread to nonmetro areas and reduce metro-nonmetro economic gaps during the 1990's.

### Latest Publication in an ERS Series on Decade Changes

Although this is the first time *Rural Conditions and Trends* has varied from reporting the most current employment statistics for nonmetro areas, this is not the first ERS report of its kind. In September 1986, ERS published *Social and Economic Characteristics of the Population in Metro and Nonmetro Counties, 1970-80*, by David L. McGranahan, John C. Hession, Fred K. Hines, and Max F. Jordan (RDRR-58). The authors used data from the 1980, 1970, and 1960 Censuses to compare nonmetro and metro change during the 1960's and 1970's. In March 1975, ERS published *Social and Economic Characteristics of the Population in Metro and Nonmetro Counties, 1970*, by Fred K. Hines, David L. Brown, and John M. Zimmer (AER-272). Those authors used 1970, 1960, and 1950 Census data to analyze nonmetro changes during the 1950's and 1960's. And, in October 1966, ERS published *Rural People in the American Economy* (AER-101), an analysis of the rural farm and nonfarm populations based on the 1960 and 1950 Censuses and several other data sources.

# Metro-Nonmetro Distinction Primary; Finer Classifications Add Depth

*Throughout this report nonmetro conditions and trends are contrasted with those of metro areas. Further analysis focused on level of urban influence, region, and socioeconomic characteristics provides greater insight into what happened to nonmetro areas during the 1970's and 1980's.*

As is customary in *Rural Conditions and Trends*, the primary distinction made in this special issue is between metro and nonmetro counties defined as of the 1980 Census of Population. All metro areas contain one or more counties with a central city of 50,000 or more residents or a Census Bureau-defined urbanized area of 50,000 and a total population of at least 100,000. In addition, many metro areas also include adjoining counties that meet certain measures of metropolitan character and have commuting ties to the central county or counties. Nonmetro areas are the 2,406 counties (77 percent of all counties) that do not meet the metropolitan criteria. [See U.S. Department of Commerce, Bureau of the Census, *State and Metropolitan Area Data Book, 1986* for the detailed, technical definition.]

We use the 1980 metro-nonmetro classification because we want to examine how social and economic changes during the 1980's affected counties. Some (112) nonmetro counties that contained cities or urbanized areas that grew to over 50,000 population during the 1980's or developed stronger ties to metro counties became metro and were recently added to that category using 1990 population and commuting data. A few (17) metro fringe counties whose ties to the central city weakened lost their metro status in 1990. Most (96 percent) counties remained in their 1980 categories. This research highlights change during the 1980's; thus, we use metro-nonmetro definitions from the beginning of the decade.

### More Detailed Levels of Urban Influence Help Explain What Happened

By definition, nonmetro counties have no city with at least 50,000 residents. But, that cutoff still leaves wide variation among nonmetro counties. For years, ERS researchers have identified and analyzed differences among nonmetro counties by levels of urbanization. The most widely known ERS classification is the rural-urban continuum code (familiarly called the "Beale code" in its most recent form and the "Brown-Hines-Zimmer code" in its initial form). The classification by level of urban influence used in this report is related to, but different from, the continuum codes. Here metro areas are divided into two groups:

- **Large** includes counties that are part of metro areas of 1 million or more residents
- **Small** includes counties that are part of metro areas of less than 1 million residents.

Nonmetro counties are divided into four groups:

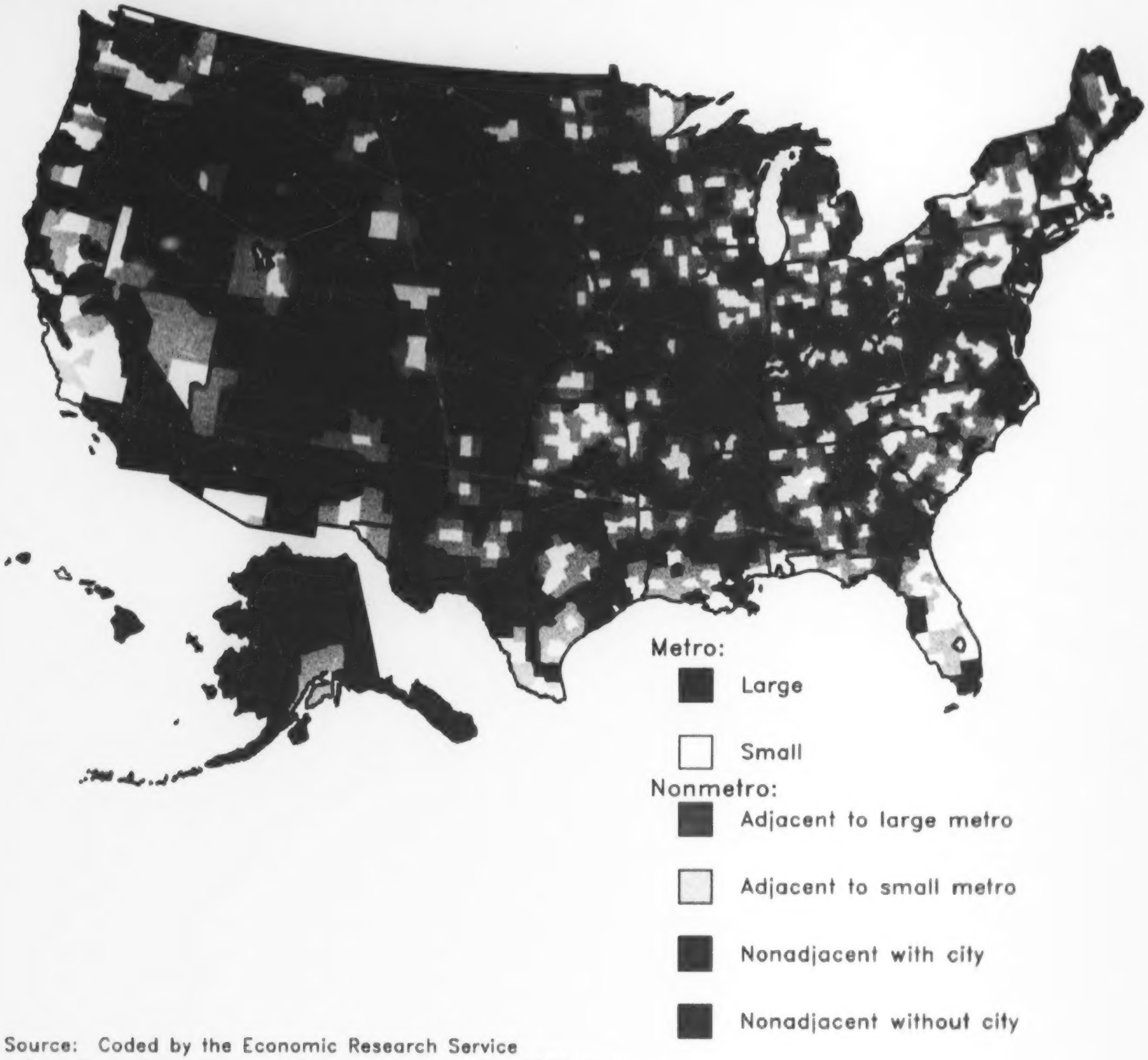
- **Adjacent to large metro areas**
- **Adjacent to small metro areas**
- **Nonadjacent with city** (or **remote with city**) includes counties that are not adjacent to metro areas but contain all or part of a nonmetro city of 10,000-49,999 residents
- **Nonadjacent without city** (or **more rural, remote**) includes counties that are not adjacent to metro areas and do not include a nonmetro city that large.

Nonmetro counties are defined as adjacent if they physically abut a metro area and have at least 2 percent of employed persons commuting to the metro county containing the central city. When a nonmetro county meets the adjacency criteria to more than one metro area, it is designated as adjacent to the metro area to which the largest percentage of its workers commuted. These classification rules explain why some nonadjacent counties are next to metro areas [they don't meet the commuting rule] and why some dually adjacent counties are classified as adjacent to large metro areas and some as adjacent to small metro areas (fig. 1).

Our classification is intended to reflect the economic opportunities available to metro and nonmetro residents and businesses. Large metro areas are the headquarters of many multinational firms and financial institutions, major nodes in telecommunications networks, and centers for national sports teams, performing arts, and museums. Small metro areas house a wide variety of economic and social opportunities, but not of the breadth or depth of those in the large metro areas. Access to metro areas provides a wide array of social and economic opportunities to nonmetro residents and businesses that gives their development potential a boost, with the wider opportunities in large metro areas providing a larger potential boost than small metro opportunities.

Figure 1

**Counties by level of urban influence, 1980**


Metro:
Large
Small
Nonmetro:
Adjacent to large metro
Adjacent to small metro
Nonadjacent with city
Nonadjacent without city

Source: Coded by the Economic Research Service
using city and county population counts from the 1980 Census.

For nonmetro counties not attached to metro areas, the size of their own urban population centers is critical to development. Larger nonmetro cities are more likely to have public transportation, airports, newspapers, radio and television stations, a variety of financial institutions, and other infrastructure providing information about and access to national and international markets than smaller nonmetro cities and towns.

We also cross-classify counties by level of urban influence and region to investigate how regional and urban characteristics combined to affect the fortunes of nonmetro areas during the 1980's. The regions used are the four census regions: Northeast, Midwest, South, and West.

### Industrial Structure Figures in Local Trends

Other factors internal to each local area also affect development. One of the major internal factors is industrial structure. The basic industries (industries that sell locally produced products outside the area, thereby bringing income into the local economy) of farming, mining, and manufacturing are important to many local economies. We use an ERS classification of nonmetro counties by their dependence upon those industries for earnings. Farming-dependent counties obtained 20 percent or more of total labor and proprietors' income (TLPI) from farming during 1975-79, manufacturing-dependent counties obtained 30 percent or more of TLPI from manufacturing in 1979, and mining-dependent counties obtained 20 percent or more of TLPI from mining in 1979.

The categories are not mutually exclusive, but there is little overlap among them. Sixteen counties are both farming- and mining-dependent, 34 counties are both farming- and manufacturing-dependent, and 5 counties are mining- and manufacturing-dependent. No county belongs to all three industrial categories. Overall, only 7.2 percent of farming-dependent counties, 10.3 percent of mining-dependent counties, and 5.9 percent of manufacturing-dependent counties overlap.

The regional distributions of these counties are evident from the maps (figs. 2-4), and appendix table 1 (p. 64) shows how they are distributed by level of urban influence and region. Because farming and mining rely on land and natural resource use, majorities of the farming-dependent and mining-dependent counties are more rural, remote counties. The manufacturing-dependent counties are found in all the classes of urban influence in about the same proportions as nonmetro counties in general.

Figure 2

**Farming-dependent counties, 1979**

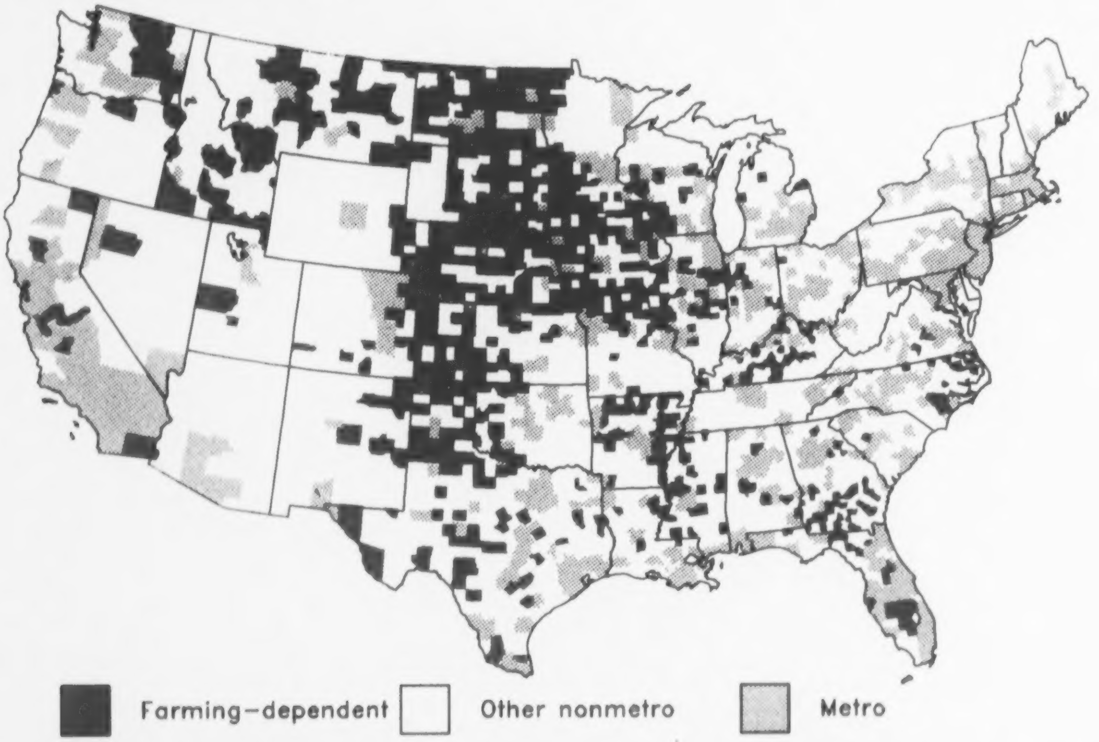


Figure 3
**Mining-dependent counties, 1979**

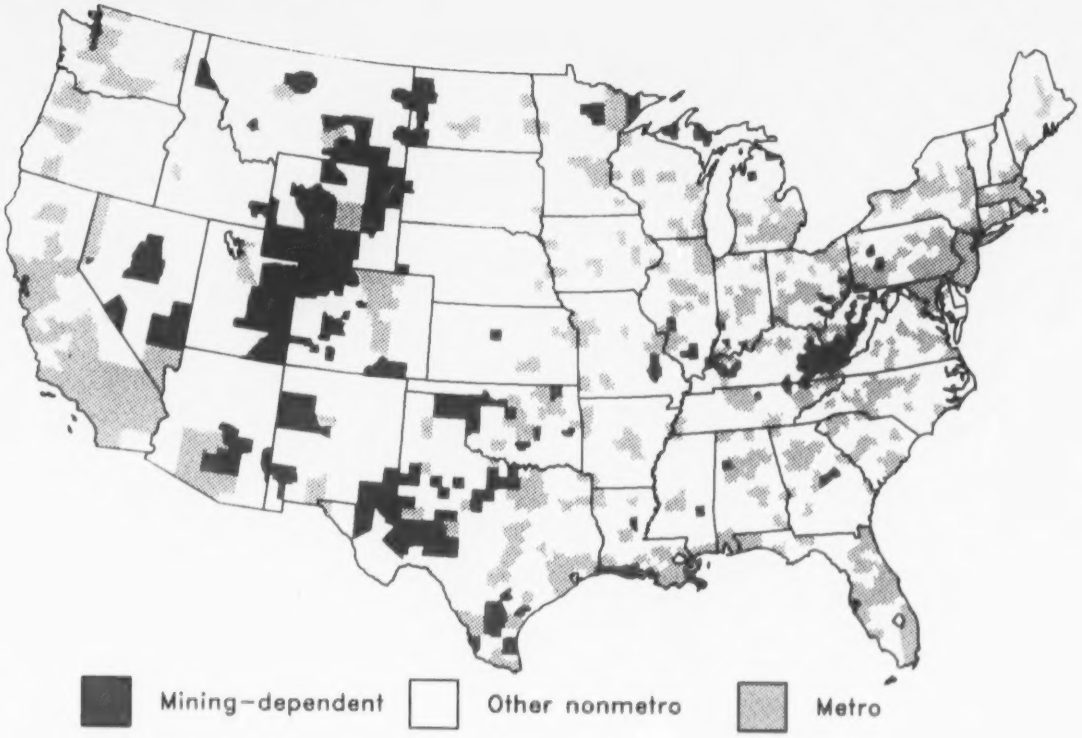
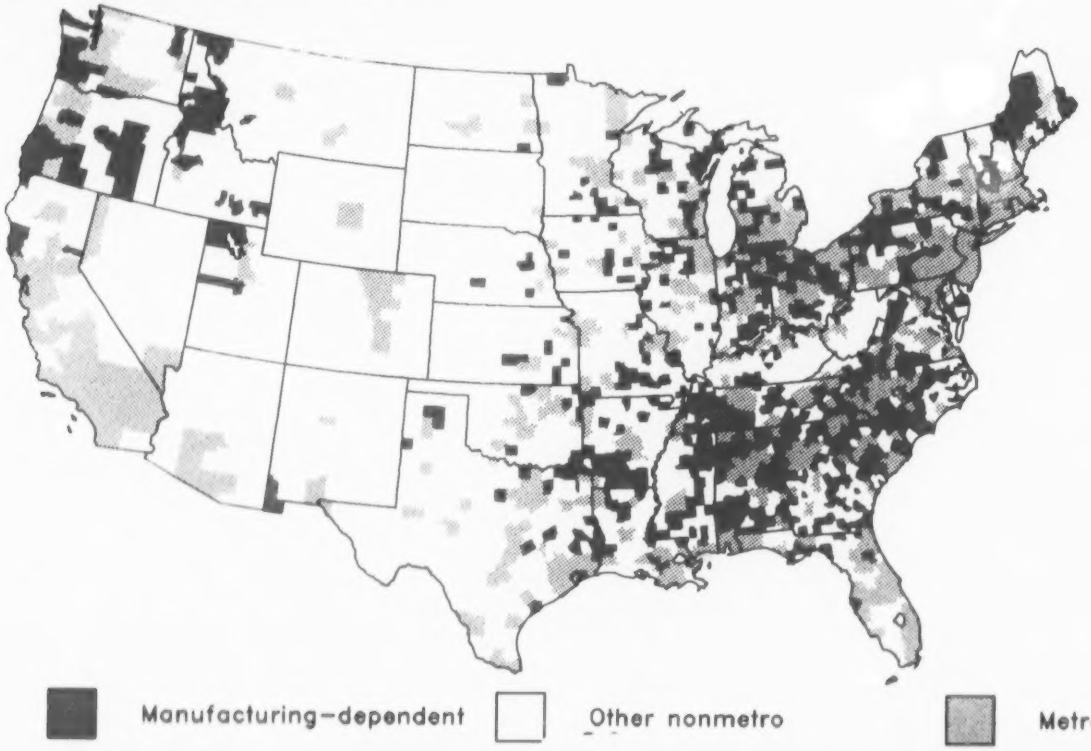

Mining-dependent
Other nonmetro
Metro

Figure 4
**Manufacturing-dependent counties, 1979**


Manufacturing-dependent
Other nonmetro
Metro

### Low-Income and Retirement Counties Generally at Opposite Economic Ends

We also look at nonmetro counties that have had persistently low incomes and nonmetro counties that attracted a significant number of retirees during 1970-80. Although 56 counties are both persistent low-income and retirement-destination counties (23.4 percent of the persistent low-income counties and 11.6 percent of the retirement-destination counties), the two groups have generally experienced very different development. The persistent low-income counties have had little economic activity in recent decades to provide for improvement in the overall economic well-being of residents. They are defined by their per capita income having remained in the bottom fifth of all U.S. counties' incomes during 1950-79. Their population grew slightly slower than that of all nonmetro counties during 1970-80. In contrast, the population of retirement-destination counties grew more than twice as fast as that of all nonmetro counties. By definition, the population age 60 or older in 1980 was at least 15 percent larger than it would have been if people had not moved into the county since 1970. Many of the retirement counties also attracted younger migrants due to their scenic beauty, temperate climate, or recreation-based economies.

The persistent low-income counties are predominantly in the South and are disproportionately more rural, remote counties (fig. 5 and app. table 1). Eighteen of the 19 low-income counties outside the South are more remote counties, and, of the 220 low-income counties in the South, 63 percent are more rural, remote counties and 35 percent are adjacent to small metro areas. The retirement-destination counties are more widely distributed by region and level of urban influence (fig. 6 and app. table 1). More than half are in the South, but the Midwest and West also have sizable numbers (107 and 80 out of 484) and the Northeast has a few (17). Over half the retirement-destination counties in all regions except the Midwest are adjacent to large or small metro areas. In the Midwest, almost two-thirds of them are more rural, remote counties.

### Source of County Type Classifications

The industry, low-income, and retirement classifications used here were developed by a team of ERS researchers and published in *The Diverse Social and Economic Structure of Nonmetropolitan America*, RDRR-49, U.S. Dept. Agr., Econ. Res. Serv., Sept. 1985. The industry classifications were updated to a 1986 base and published in *An Update: The Diverse Social and Economic Structure of Nonmetropolitan America*, AGES-9036, U.S. Dept. Agr., Econ. Res. Serv., May 1990. But, as with the other classifications, we chose to stay with the original classifications as of the beginning of the decade.

Figure 5
**Persistent low-income counties, 1979**

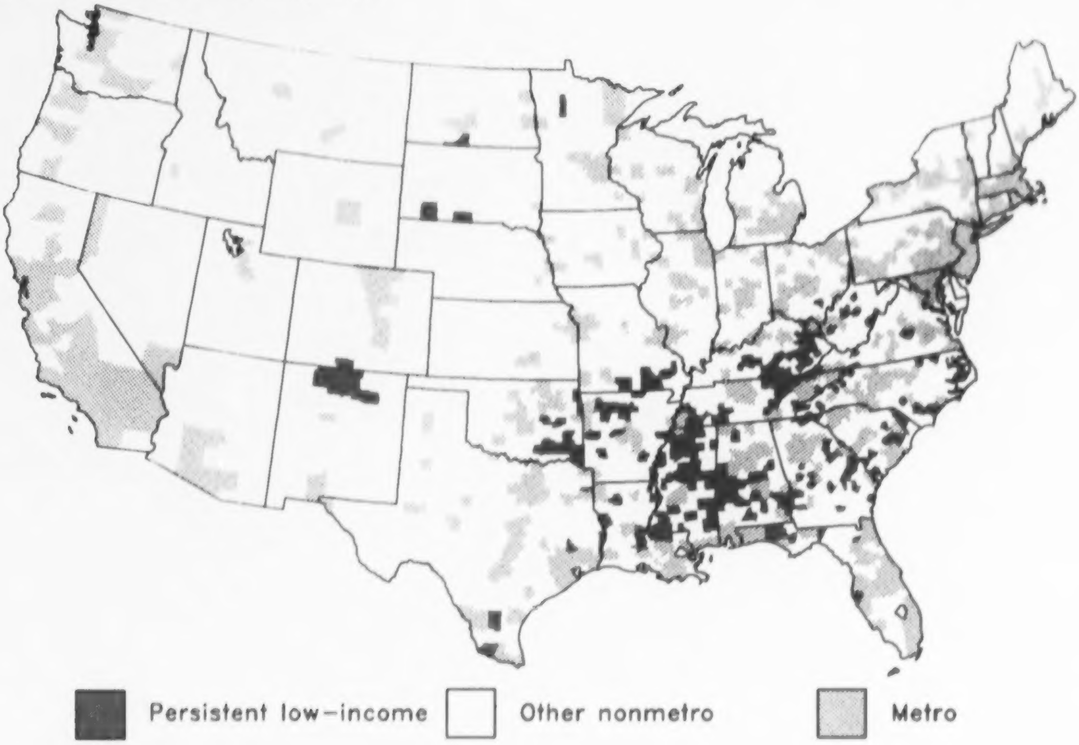
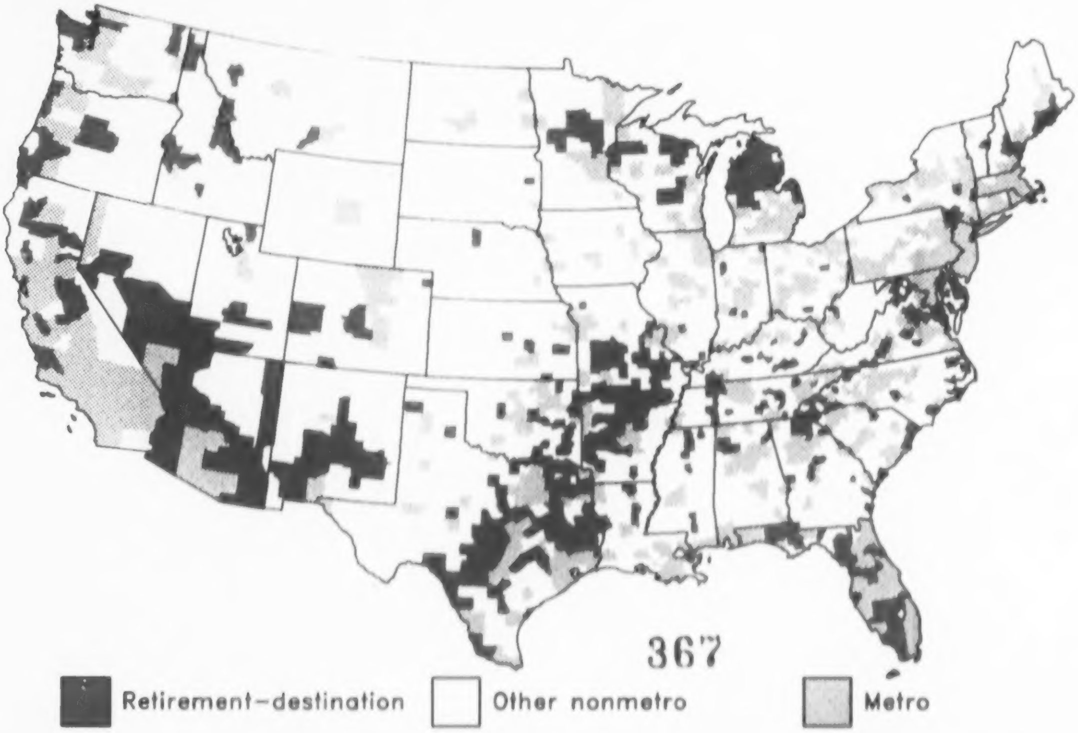

▨ Persistent low-income
☐ Other nonmetro
▨ Metro

Figure 6
**Retirement-destination counties, 1980**


▨ Retirement-destination
☐ Other nonmetro
▨ Metro

# Nonmetro Population Grew Slowly During the 1980's

*The 1980's marked a clear break with the "rural renaissance" of the 1970's and a return to pre-1970 population growth patterns. The nonmetro population grew more slowly in all types of counties in all regions of the country, but this slowdown was most evident in more rural, nonadjacent areas. Despite continued suburbanization of population and economic activity, nonmetro areas did not benefit from "metro spillover" as much as in the 1970's.*

Nonmetro areas had a population of 57 million people in 1990. Population growth during the 1980's was slow. While the U.S. population grew by 9.8 percent, nonmetro population grew by only 4.1 percent (fig. 7). The share of total U.S. population living in nonmetro areas declined slightly as a result of faster metro growth, from 24 in 1980 to 23 percent in 1990. During the "rural renaissance" of the 1970's, nonmetro population grew by 14.4 percent—3 percentage points above the national average. However, the decreasing ability of nonmetro areas to retain and attract residents resulted in population growth during the 1980's that was more similar to the 1960's, when the nonmetro growth rate was 2.5 percent.

### Largest Cities Dominate Growth Trends

Half of nonmetro residents lived in territory adjacent to metro areas in 1990; outside these metro spheres of influence, roughly half the population lived in or near a nonmetro city of 10,000 or more people (table 1). Like the 1960's, the rate of population change in both metro and nonmetro areas was tied to urban influence during the 1980's (fig. 8). Population growth ranged in hierarchical fashion from 12 percent in large metro areas to -1 percent in more rural, nonadjacent counties. After growing relatively slowly during the 1970's, large metro areas grew dramatically during the 1980's and once again accounted for over half of all population growth (app. table 2). Among the four groups of nonmetro counties classified by degree of urban influence, only those adjacent to large metro centers grew above the national average during the 1980's. Their population growth rate of 10.5 percent was twice as large as the rate for counties adjacent to smaller metro areas. In nonadjacent counties during this slow-growth period, counties with cities had a distinct advantage in attracting and retaining population.

Although population growth appears once again to be associated with an urban hierarchy, the population downturn, like the "rural renaissance" a decade earlier, occurred throughout nonmetro America. Adjacent counties may have grown faster than other nonmetro areas during the 1980's, but they grew at less than half their own rate of the previous decade. During the 1970's, counties adjacent to large metro areas grew at more than twice the rate of the metro areas themselves (17.4 compared with 7.7 percent), growing as much as closer in suburban rings. During the 1980's, while growth rates increased within large metro areas, they decreased in adjacent nonmetro counties. Counties adjacent to small metro areas grew at less than half the rate of those metro areas during the 1980's. In light of the continued suburbanization of metro population and economic activity, the "metro spillover" into nonmetro territory from such expansion was not as strong as expected.

Table 1

### Nonmetro population, 1990

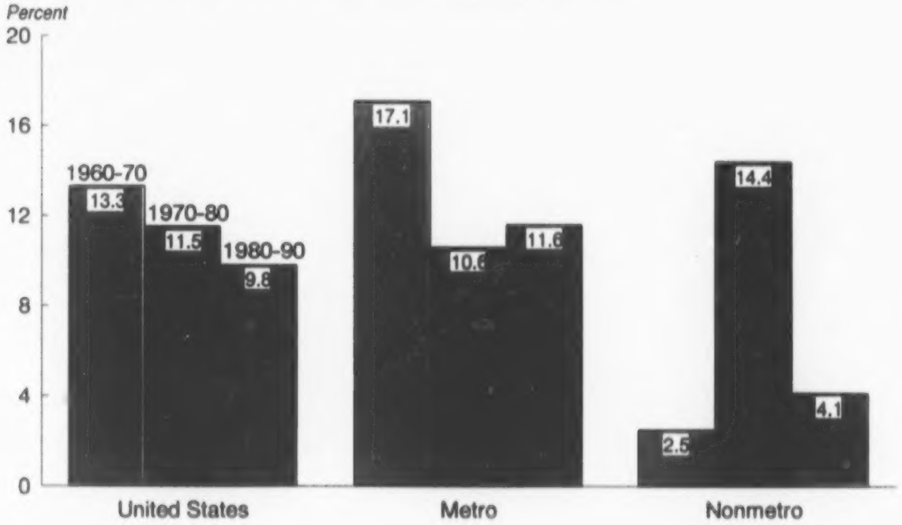
Nonmetro residents are evenly divided between adjacent and nonadjacent counties; three-fourths live in the Midwest and South

| Area | Population | | |
|---|---|---|---|
| | Thousands | Percent distribution | |
| Total nonmetro | 56,687 | 100.0 | |
| Degree of urban influence: | | | |
| Adjacent to: | | | |
| Large metro | 6,475 | 11.4 | 50.4 |
| Small metro | 22,115 | 39.0 | |
| Nonadjacent: | | | |
| With city | 13,303 | 23.5 | 49.6 |
| Without city | 14,794 | 26.1 | |
| Type of nonmetro county: | | | |
| Farming-dependent | 7,785 | 13.7 | |
| Mining-dependent | 3,748 | 6.6 | |
| Manufacturing-dependent | 21,993 | 38.8 | |
| Persistent low-income | 3,607 | 6.4 | |
| Retirement-destination | 13,333 | 23.5 | |
| Region: | | | |
| Northeast | 5,771 | 10.2 | |
| Midwest | 17,093 | 30.2 | 74.7 |
| South | 25,219 | 44.5 | |
| West | 8,604 | 15.2 | |

Figure 7

### Population change, 1960-90

Nonmetro growth was less than half the national average in the 1980's



The degree to which nonmetro population growth patterns of the 1980's resemble those of the 1960's is striking (fig. 8). The metro-nonmetro gap in population growth was more pronounced during the 1960's, when metro areas grew by 17 percent—more than 5 times the nonmetro rate. This contrast is somewhat exaggerated, however, because many nonmetro counties that grew rapidly during the 1960's were later reclassified as metro; because a constant (1980) metro definition is used, their growth is counted as metro growth. But the smaller gap of the 1980's also reflects changes in the geographic sources of metro population growth. Legal and illegal immigration increased over the last two decades, adding population almost exclusively to metro areas, but not simultaneously subtracting population from nonmetro areas (see "Nonmetro Outmigration...," p. 24). Thus, metro areas are not growing at the expense of U.S. nonmetro areas to the same extent as in the past. The metro-nonmetro gap in population growth has diminished to the degree that immigration has replaced migration as a major source of metro population growth.

### Population Downturn Affected by Poor Economic Performance

The recent decline of industries tied to natural resources explains some of the sluggishness in nonmetro population growth. The biggest population downturn occurred in mining-dependent (including oil and gas extraction) counties. During the boom years of the 1970's, these counties grew by 20 percent (fig. 9), adding over 600,000 people mostly to more rural, remote counties, including many in Appalachia, west Texas and Oklahoma, and the Rocky Mountains. The population of mining-dependent counties declined by 4 percent during the 1980's, losing over 150,000 residents. Farming-dependent counties, concentrated in the Great Plains and Corn Belt, declined by 1 percent during the 1980's after growing by 7 percent during the 1970's.

Declines in manufacturing employment, which accelerated during the recessions of the early 1980's, had adverse effects on nonmetro population growth. Manufacturing-dependent counties grew at less than a quarter of the 1970's rate, adding only 500,000 people after growing by 2.4 million people during the 1970's. Persistent low-income counties, many of which are manufacturing-dependent, experienced a similar population slowdown during the 1980's.

Nonmetro retirement-destination counties grew at only half the rate of the 1970's, but still exceeded the national rate. By definition, these counties had high elderly inmigration in the previous decade; however, the bulk of the growth is not due to the retirees themselves. Many retirement-destination counties are located in high-amenity, largely coastal or mountain locations, that frequently attract younger age groups, who migrate to these areas for the same amenities as retirees as well as to fill the growing service-sector labor demand. These counties added 1.9 million people during the 1980's, accounting for over 85 percent of the total nonmetro population increase.

### Sun Belt Maintains Rapid Growth

Nonmetro residents are not evenly distributed among U.S. regions; three-quarters are found in the South and Midwest (table 1). While nonmetro growth slowed by more than half in every region of the country between the 1970's and 1980's, variations in regional patterns persisted as Sun Belt regions in the South and West continued to grow faster than the rest of the country (app. table 2). Although the renewed growth of New York City and other large metro areas in the Rust Belt has received much attention, nearly 90 percent of the population gains in metro areas were in the South and West. All but a fraction of nonmetro growth was also in these two regions. During the 1970's, nonmetro areas grew faster than metro areas in all regions of the country except the South; during the 1980's, the only region with faster nonmetro than metro growth was the Northeast. However, the West was the only region in which nonmetro areas grew faster than the Nation as a whole. From the top to the bottom of the urban hierarchy, the West outgrew all other regions of the country. Nonmetro areas in the Midwest lost population during the 1980's, and the decline was more than 4 percent in more rural, remote counties.

Figure 8

## Population change by degree of urban influence, 1960-90

**1980's nonmetro growth patterns similar to 1960's**

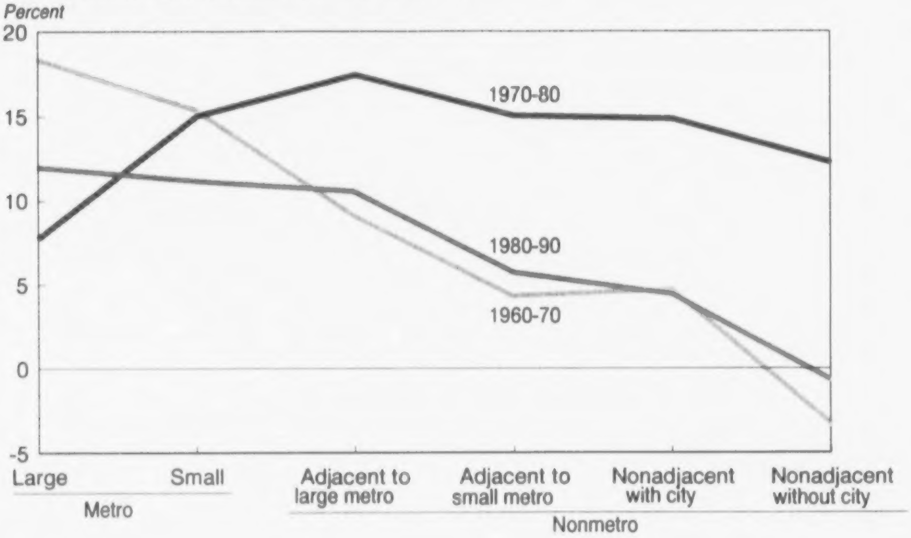
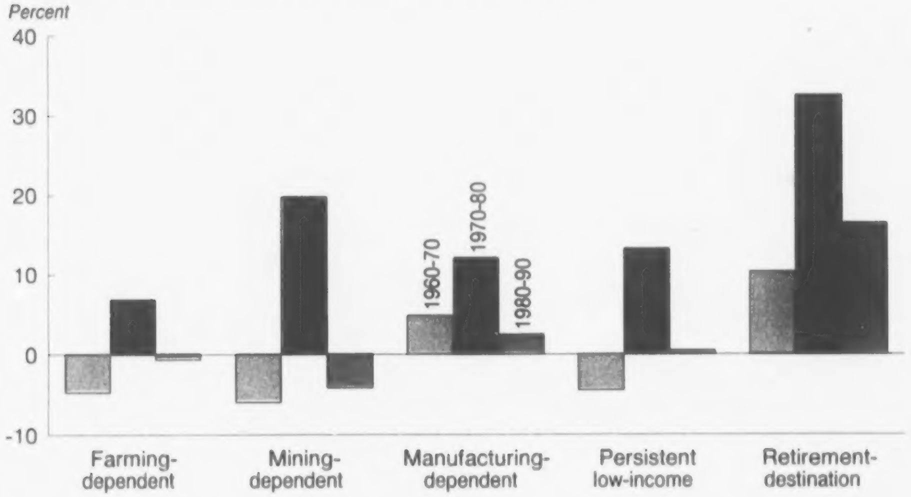


Figure 9

## Population change by type of nonmetro county, 1960-90

**1980's downturn occurred in all county types, but retirement-destination counties continued to grow faster than the national average**



# Blacks Maintain Small Nonmetro Growth; One in Four New Nonmetro Residents Is Hispanic

*One in seven nonmetro Americans belonged to a minority group in 1990. Most are Blacks living in the South, but rapid growth among Hispanics, Native Americans, and Asians during the 1980's resulted in a larger, more diversified nonmetro minority population. Except for Native Americans, minorities live mostly in metro areas.*

In 1990, 8.7 million nonmetro residents belonged to one of four minority groups: Blacks, Hispanics, Asians (including Pacific Islanders), and Native Americans. Blacks made up close to two-thirds of the nonmetro minority population in 1980, but their share declined as other groups grew much faster during the 1980's (table 2). Minorities constituted only 14 percent of the total nonmetro population in 1980 but they accounted for 50 percent of the people added during the 1980's. Their 15-percent growth rate was more than five times the rate for Whites. For all minorities except Native Americans, however, growth rates were even higher in metro areas during the 1980's, so that the percentage of U.S. minorities living in nonmetro areas declined slightly from 16 to 14 percent. Minorities are still much more likely to live in metro areas than Whites, but their presence in nonmetro areas is rising.

### Blacks Remained Urban-Oriented in the 1980's

The nonmetro Black population, numbering 4.9 million in 1990, grew by fewer than 200,000 people during the 1980's. In contrast, 3.3 million Blacks were added to metro areas, a 15-percent growth rate compared with 3 percent for the nonmetro population (fig. 10). Even during the "rural renaissance" of the 1970's, when Whites experienced faster nonmetro than metro growth, Black metro growth was five times higher than Black nonmetro growth. The end of the "rural renaissance" is clearly marked in figure 10 by the precipitous drop in nonmetro White population growth in the 1980's, which fell below the rate for Blacks after being three times higher in the 1970's.

Although slow, growth of the nonmetro Black population since 1970 stands in marked contrast to past decades of population decline. Over 1 million Blacks left the rural South during the 1960's in response to the continued loss of farming jobs, combined with a lack of alternative sources of employment. During the early 1970's, with increases in return migration to the rural South and less outmigration, the Black population began to grow. After losing 7 percent of its Black population in the 1960's, the nonmetro South gained 4.2 percent in the 1970's and another 1.2 percent in the 1980's.

Over 90 percent of nonmetro Blacks reside in the South. Figure 11 shows that all but a handful of the 384 nonmetro counties where Blacks are at least 20 percent of the population are located in the old plantation regions of the Coastal Plain, stretching from the Eastern Shore of Maryland to East Texas. Today, two-thirds of these counties depend on either manufacturing or farming for a major portion of their earnings. The dramatic decline in farm employment over the past four decades, the increasing dependence on low-wage manufacturing, and the continued racial segmentation of employment and housing markets all contribute to economic difficulties among Black families in the nonmetro South. One-third of the counties identified as nonmetro Black counties in figure 11 are also persistent low-income counties.

Different patterns of population growth in the South increased the separation of Blacks and Whites during the 1980's (fig. 12). The fastest growing areas for Whites were nonmetro adjacent counties while the Black population grew fastest within metro areas. In nonmetro areas, the Black population grew fastest in nonadjacent counties with cities. These cities probably offered wider opportunities for Blacks to find work, better housing and transportation, and access to shopping and social services. The pattern in figure 12 indicates that having a city spurred nonmetro Black population growth more than being adjacent to a metro area. Black population decline continued in nonadjacent counties without cities, half of which are persistent low-income counties and/or dependent on farming.

Blacks are beginning to be counted in nonmetro areas where historically few have lived before. The absolute numbers are still small—fewer than 100,000 nonmetro Blacks live in either the nonmetro Northeast or West. However, the rate of nonmetro Black growth outside the South increased between the 1970's and 1980's, especially in the Northeast and West. In both regions, growth rates were close to 15 percent in the 1970's and close to 50 percent in the 1980's (app. table 3). In the Midwest, nonmetro Black population grew by 14 percent at the same time that total population declined. A major factor in these increases is rapid growth in the number of persons from metro areas being held in nonmetro prisons. However, the increased growth rates also reflect new migration destination choices on the part of other Blacks.

Table 2

### Nonmetro population by race and ethnicity, 1980-90

Minorities accounted for half of nonmetro population growth in the 1980's

| Race/ethnic group | Population 1990 | Population 1980 | Change 1980-90 | | Share of U.S. population in nonmetro areas 1990 | Share of U.S. population in nonmetro areas 1980 |
|---|---|---|---|---|---|---|
| | Thousands | | | Percent | | |
| White | 47,863 | 46,753 | 1,110 | 2.4 | 24.7 | 25.4 |
| Minority | 8,688 | 7,624 | 1,064 | 14.0 | 14.1 | 16.5 |
| Black | 4,923 | 4,770 | 153 | 3.2 | 16.4 | 18.0 |
| Hispanic[1] | 2,329 | 1,786 | 543 | 30.4 | 10.4 | 12.2 |
| Native American[2] | 971 | 759 | 212 | 27.9 | 49.6 | 49.5 |
| Asian | 465 | 309 | 156 | 50.5 | 6.4 | 8.3 |

[1] Hispanics can be of any race.

[2] Native Americans include American Indians, Eskimos, and Aleuts.

Figure 10

### Black and White population change, 1970-90

**Black metro growth higher than nonmetro in both decades; nonmetro White growth equal to Black growth in 1980's**

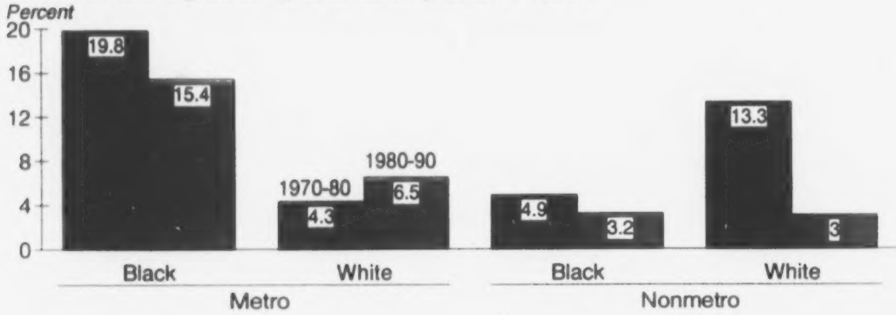
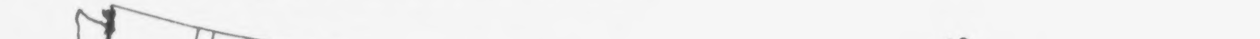


Figure 11

### Nonmetro minority counties, 1990

**Minority counties are highly clustered in the South and West**



Note: Two counties shown as Native American also qualify with other minorities: Cibola, NM, is also Hispanic, and Robeson, NC, is also Black.

### Half Million Hispanics Added to Nonmetro America in 1980's

The 1980 Census was the first to ask all respondents to identify themselves as Hispanic or not. The identification of Hispanic in earlier censuses is not easily comparable, so population change is analyzed only between 1980 and 1990. Recent changes in immigration laws, continued high levels of illegal immigration, possible increases in self-identification as Hispanic, and the cyclical nature of migration between the United States and Mexico make accurate population counts difficult even for this past decade. But, Hispanics were one of the fastest growing segments of the population during the 1980's, growing five times faster than the total population in both metro and nonmetro areas (fig. 13). The Hispanic share of the U.S. population rose from 7 to 10 percent during the 1980's. One of every two new residents in large metro areas identified him/herself as Hispanic. While making up less than 4 percent of the nonmetro population in 1980, Hispanics accounted for 25 percent of population growth during the 1980's.

On the one hand, nonmetro Hispanic population growth of a half million may be somewhat overstated. The Immigration Reform and Control Act of 1986 (IRCA) made residence legal for millions of Hispanics who had moved to this country before 1980 and who may have avoided being enumerated or identified as Hispanic in 1980. On the other hand, provisions of IRCA designed to stem illegal immigration have not been effective; thus, many Hispanics illegally in the United States may remain uncounted. In addition, exemptions in the law allow temporary residents to continue to be very important to agricultural production in many parts of the country. The vital role of Hispanics in American agriculture can be seen in the population trends of farming-dependent counties (app. table 4). While total population in these counties dropped during the 1980's, Hispanic population grew by over 40 percent.

Despite their important roles in agriculture and nonmetro population growth during the 1980's, Hispanics are among the most urban of Americans. Only 10 percent of Hispanics lived in nonmetro areas in 1990, down from 12 percent in 1980 (table 2), and they made up less than 5 percent of the total nonmetro population. But nonmetro Hispanics, like Blacks, are geographically very concentrated (fig. 11). Most nonmetro Hispanics live in the southern parts of Texas, California, New Mexico, and Arizona. Emerging pockets of nonmetro Hispanic population have been identified in other Western States. As in the case of the Black population, rapid nonmetro growth rates in other parts of the country, such as the Northeast, are related to new prisons, but may also signal new Hispanic population dispersal.

### Native Americans and Asians Live Mostly in West

Native Americans and Asians constitute less than 20 percent of nonmetro minorities. Despite being the most nonmetro of the four minorities reported here, fewer than 1 million Native Americans live in nonmetro areas. Nonmetro Native Americans are found in all parts of the country, but especially in the West, where two-fifths of them live in concentrated settlements located mostly on the Colorado Plateau in the Southwest, the northern Great Plains, and Alaska (fig. 11). A large proportion of the rapid growth in the Native American population is attributable to increases in self-identification as Native American. Such increases, particularly notable in the South, often accompany renewed recognition and pride in Native American heritage.

Asians have the highest rates of population growth among nonmetro minorities and are an important new segment of society in certain nonmetro locales, but their numbers are still small—less than half a million nationwide (table 2). Only 6 percent of all Asians live in nonmetro areas, making them the least nonmetro minority group. Because this minority group includes Pacific Islanders, one-third of them live in three nonmetro counties in Hawaii (fig. 11).

Figure 12

**Black and White population change in the South by degree of urban influence, 1970-90**

**Black growth concentrated in metro and nonmetro cities; White growth concentrated in nonmetro counties adjacent to large metro areas**

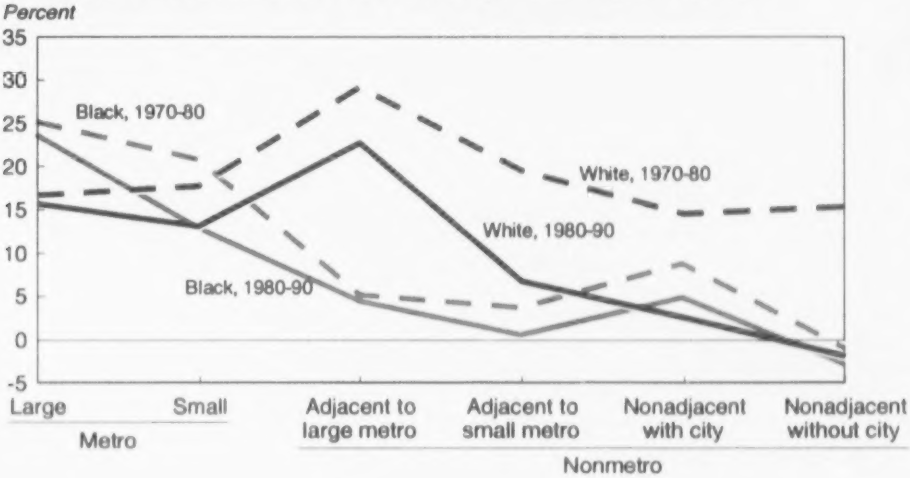
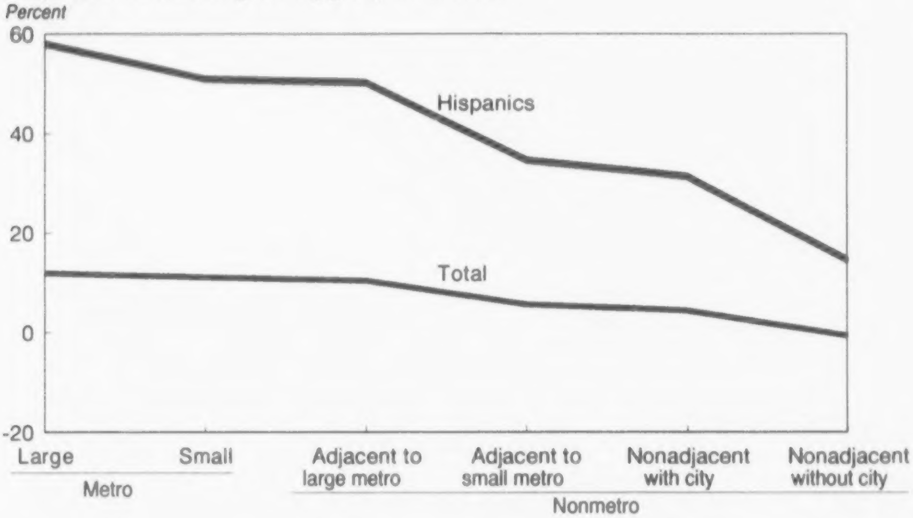


Figure 13

**Total and Hispanic population change by degree of urban influence, 1980-90**

**Hispanics are fastest-growing group in all areas**



# Shortage of Young Adults in Nonmetro Areas Greater Than Ever

*The nonmetro population of children and young adults shrank as the baby-boom generation began entering middle age, and migration patterns once again favored metro areas. The metro share of young adults is at an all-time high.*

In 1990, 15 million nonmetro residents were younger than 18, and 8 million were 65 years old or older (table 3). The working-age population (ages 18 to 64) totaled 33 million people or 59 percent of the total. This percentage was at a 30-year high in 1990, having increased from 51 percent in 1960. The working-age population was still relatively young—over 40 percent of them were 18 to 34 years old. These young adults made up 25 percent of the nonmetro population in 1990.

### Metro Areas Benefit More From Favorable Age Structure

Age distributions reflect past demographic events (births, deaths, and migrations) and provide important clues about future changes in the labor supply and the demand for goods and services. The age distribution of the United States population is still dominated by the post-World War II rise in fertility rates known as the baby boom, whose members were 26-44 in 1990 (fig. 14). From the time the youngest baby boomers graduated from high school and began their entry into the labor force in 1982 until the oldest members reach 65 in 2011, the United States has had and will have a favorable balance of people within income-producing age groups. All parts of the country benefit from the current age structure. However, because of migration that always consists primarily of young adults and their children, metro areas capture a much higher percentage of this very large segment. The higher metro percentage of working-age adults (that also reflects higher nonmetro fertility rates) has been a persistent pattern for most of this century but has never been greater than in 1990 (fig. 14). While still quite visible in the metro age profile, the baby-boom "bulge" in the nonmetro population profile has shrunk, and there are now as many children in nonmetro areas as young adults.

Increases in life expectancy over the past 50 years and the aging of the large population segment born in the 1920's increased the proportion of elderly between 1970 and 1990. The percentage of the population over age 65 increased dramatically in nonmetro areas (table 3). Retirement migration to nonmetro areas coupled with historically high levels of nonmetro outmigration of young adults and their children placed a higher proportion of older people in nonmetro areas; the percentage of nonmetro population over age 65 was 15 percent in 1990, compared with 12 percent in metro areas. Children also continue to comprise a disproportionate share of the nonmetro population. However, the beginnings of a baby-boom "echo" (the rise in births from baby boomers having children, beginning in the early 1980's) can be seen only in metro areas (fig. 14). For the first time since 1960, the number of metro children under 10 years old outnumber children in their teens. This is not true for nonmetro areas.

The dependency ratio, the number of people under age 18 and over age 64 per 100 people ages 18 to 64 years, is a commonly used summary measure of an area's age distribution. This ratio is a rough measure of the balance between those most likely to be working and those who are not; the higher the ratio, the less favorable the balance. For many areas the statistic is misleading, or at least misnamed, because today's retirees depend less on the local population and often contribute to the economic base through nonwage income; but the statistic is still relevant as an indicator of increased demands placed on public services by children and the elderly. As the youngest members of the baby-boom generation moved out of their teen years and into their initial working-age years, dependency ratios decreased dramatically in most areas (app. table 5); in nonmetro areas they fell 14 points during the 1970's and another 3 points during the 1980's, so that now there are 71 persons in nonworking-age groups for every 100 persons of working age.

Higher nonmetro birth rates and higher outmigration of young adults over the years caused dependency ratios to be consistently 10 points higher than metro ratios, and the gap became only slightly smaller during the 1970's when net inmigration occurred. Within nonmetro territory, a much higher dependency ratio exists in nonadjacent counties without cities—over 75 in 1990 compared with less than 70 for other nonmetro areas. Farming-dependent counties had a dependency ratio near 100 (a one-to-one correspondence between working-age and nonworking-age populations) in 1970 and still had a ratio above 80 in 1990. Retirement-destination counties have relatively low ratios because they attract younger workers as well as retirees.

Table 3

**Nonmetro age distribution, 1970-90**

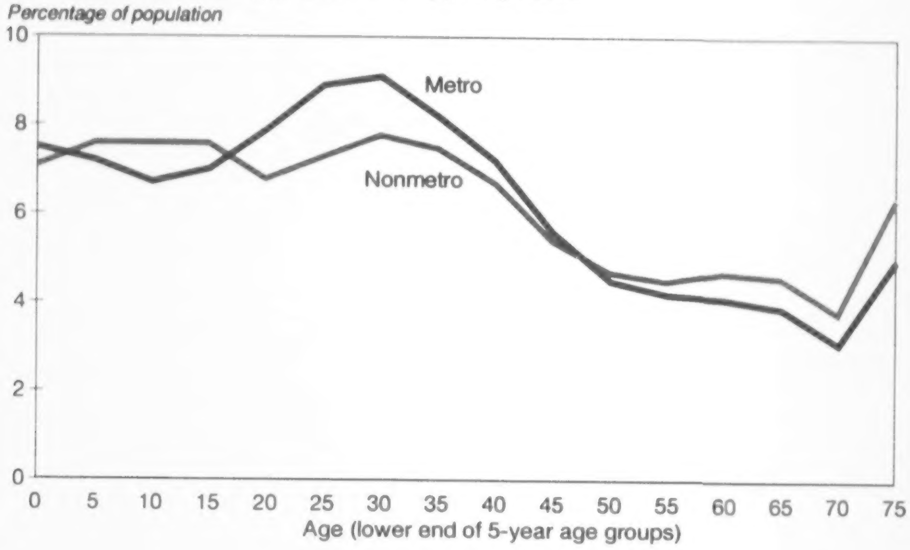
Baby boomers began entering middle age in the 1980's

| Age group | Population 1990 | Population 1980 | Population 1970 | Distribution by age 1990 | Distribution by age 1980 | Distribution by age 1970 |
|---|---|---|---|---|---|---|
| | *Thousand* | | | *Percent* | | |
| Total | 56,676 | 54,428 | 47,567 | 100.0 | 100.0 | 100.0 |
| Under 18 | 15,135 | 16,034 | 16,657 | 26.7 | 29.5 | 35.0 |
| 18-34 | 14,236 | 14,892 | 10,350 | 25.1 | 27.4 | 21.8 |
| 35-64 | 18,971 | 16,407 | 14,976 | 33.5 | 30.1 | 31.5 |
| 65 and older | 8,334 | 7,095 | 5,584 | 14.7 | 13.0 | 11.7 |

Figure 14

### Age structure, 1990

**Large metro-nonmetro gap exists among young adults**



### Nonmetro Areas Lose Population Among Younger Workers, Children

The 4-percent increase in nonmetro population during the 1980's was due entirely to growth among older working-age adults and retirees, which outweighed population losses among children and young adults (table 4). As older baby boomers began entering their middle-age years, the locus of population growth in both metro and nonmetro areas shifted away from young adults (where baby boomers were concentrated in the 1970's) toward middle-age groups. This "aging in place," combined with outmigration, caused a 4-percent decline in the nonmetro young adult population during the 1980's while metro areas continued to add young adults. The same was true for children under 18. The baby-boom echo was evident in the switch from negative to positive population growth for metro children. Nonmetro growth rates not only remained negative for children but decreased between the 1970's and 1980's. Not only were there relatively more women of childbearing ages in metro areas, but recent fertility trends show an end to fertility decline in metro areas while fertility levels in nonmetro areas continued to drop (see "Fertility Rates...," p. 26). Despite the continued importance of retirement migration to nonmetro areas, the population age 65 and older grew faster in metro areas.

The entry of baby boomers into the labor force (along with increasing numbers of women) apparently contributed to the "rural renaissance" of the 1970's. The rapid increase of labor-force entrants created an over-supply of workers during a period of slow overall population growth, especially in the Northeast and Midwest, encouraging relatively more metro youth to seek employment in nonmetro areas. The increased supply of workers also lowered earnings per job in metro areas which, in turn, reduced incentives for rural-to-urban migration. Younger baby boomers and the much smaller number born during the "baby bust" began entering the labor force during the 1980's when opportunities once again increasingly shifted to metro areas. With fewer people entering the labor market and with increases in the demand for skilled labor, metro areas could outbid nonmetro areas, especially for workers with more education. As a result, nonmetro areas lost population in the 18-34 year age group while in metro areas that age group continued to grow, albeit at a rate greatly reduced from the 1970's.

Changing growth patterns among working-age adults by degree of urban influence support this explanation (fig. 15). During the 1970's, the young-adult population grew most in areas with the least urban influence, where pressures from surplus labor were relatively weak, and grew least in the largest metro areas, many of which are located in the Northeast and Midwest. During the 1980's, greater urban influence meant greater growth. Metro areas in general, but especially large metro areas, also had relatively much higher growth rates in the 1980's among middle and older working-age adults (35-64 years old). In large metro areas, their growth rate quadrupled from 5 percent in the 1970's to 20 percent in the 1980's. This age group will be the fastest growing age group during the 1990's as the baby-boom generation completes its entrance into middle age. Barring major shifts in migration patterns, metro areas most likely will continue to receive the lion's share of this growth.

Level of urban influence was more important in the South and West than elsewhere in determining growing and declining nonmetro populations during the 1980's, especially within the two younger age groups (app. table 6). All metro and nonmetro categories lost young adults in the Midwest, while metro and adjacent nonmetro counties in the South and West gained them. While the child population in the nonmetro Midwest declined by 9 percent, the West's child population grew by 8 percent, reflecting significant regional differences in net migration patterns.

Table 4

**Population change by age group, 1970-90**

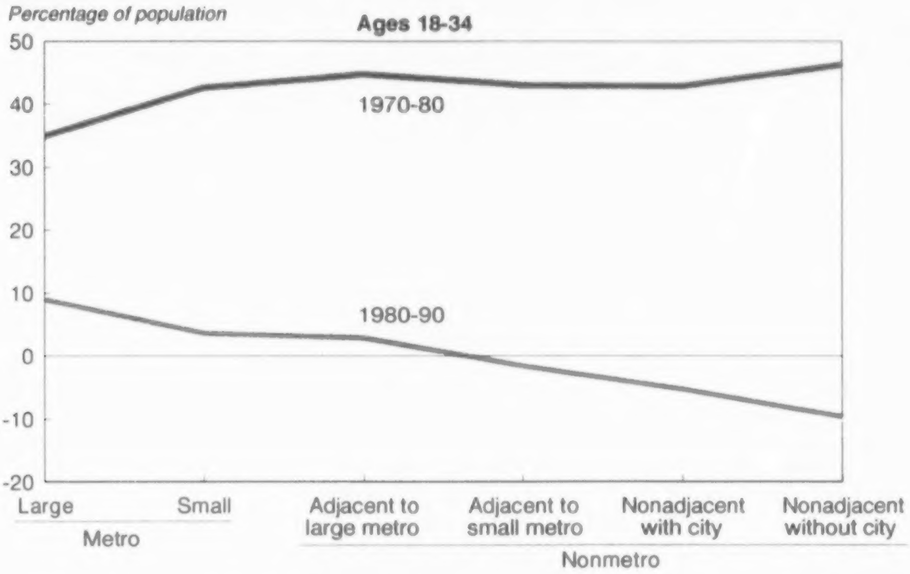
Metro areas grew more rapidly within all age groups during the 1980's

| Age group | 1980-90 Nonmetro | 1980-90 Metro | 1970-80 Nonmetro | 1970-80 Metro |
|---|---|---|---|---|
| | *Percent* | | | |
| Total | 4.2 | 11.6 | 14.4 | 10.6 |
| Under 18 | -5.6 | 1.5 | -3.8 | -10.4 |
| 18-34 | -4.4 | 6.4 | 43.9 | 37.8 |
| 35-64 | 15.6 | 20.9 | 9.6 | 7.6 |
| 65 and older | 17.5 | 24.5 | 27.1 | 26.8 |

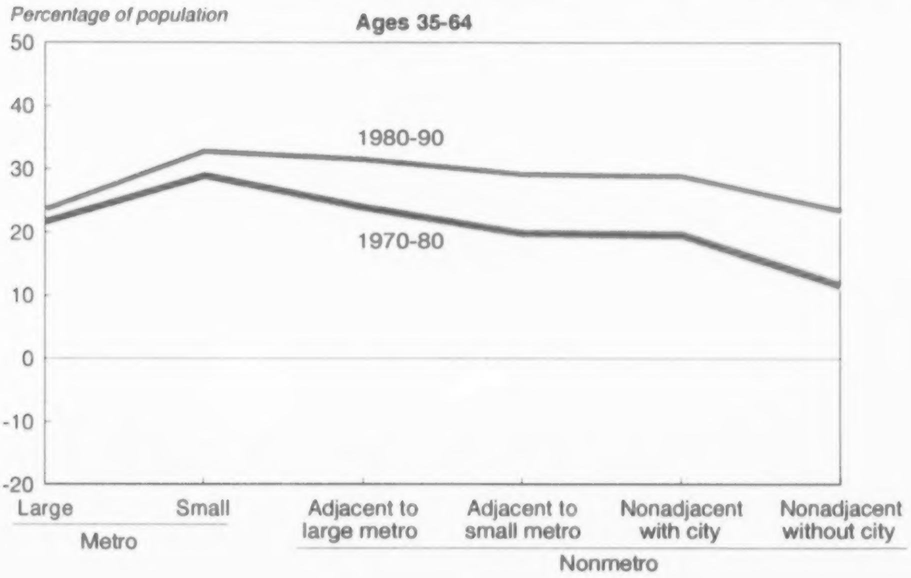
Figure 15

**Change in working-age population by degree of urban influence, 1970-90**

**Less urban nonmetro areas lost young adults during the 1980's...**



**...and metro areas gained older working-age adults at faster rates during the 1980's**



# Nonmetro Outmigration Exceeded Inmigration During 1980's

*Nonmetro areas gained population through net migration in the 1970's, but not in the 1980's. Population losses due to net migration were concentrated in the Midwest and in more rural, remote counties. Net migration caused a 10-percent population decrease in mining-dependent counties.*

The number of persons moving out of nonmetro areas exceeded those moving in by more than 500,000 during the 1980's. This net migration (see "Definitions," p. 62) caused the 1990 nonmetro population to drop 1 percent lower than it otherwise would have been. In contrast, during the 1970's, nonmetro areas grew by 3 million from net migration; the 1980 population was over 5 percent higher as a result (app. table 7). Net migration contributed 40-50 percent of nonmetro growth during the 1970's with natural increase (births minus deaths) accounting for the rest; during the 1980's national nonmetro growth occurred only because natural increase offset population losses from net migration.

### Nonmetro Outmigration Contributed to Rapid Metro Growth

Migration is the major cause of place-to-place variation in population growth, such as the current metro-nonmetro gap. Births and deaths, which affect population in only one place, caused fairly uniform population change across counties compared with migration, which subtracts from the origin and adds to the destination. Nonmetro gains from metro migrants during the 1970's changed to metro gains from nonmetro migrants during the 1980's. While nonmetro areas switched from positive to negative net migration, metro population growth from net migration more than doubled, from 3 to 7 million people. Immigrants from abroad kept the metro net migration rate positive during the 1970's (even as migrants were leaving for nonmetro areas). An increase in the number of immigrants from abroad contributed to metro-nonmetro gap in population growth during the 1980's (app. table 7, row labeled "United States"), as most foreign migrants located in metro areas.

### Migration Tied to Changing Employment Patterns

Migration is undertaken predominantly by young adults in their late teens and twenties who move to further their education and enter the labor force. Thus, net migration is closely associated with changing employment opportunities. The 1-percent net migration loss for nonmetro areas nationwide masks a high level of county-to-county variation; some areas continued to gain population by attracting large numbers of inmigrants while other areas experienced higher-than-average outmigration due largely to decreasing employment opportunities. Retirement-destination counties attracted young and old alike and increased their population by 12 percent, while mining-dependent counties declined by 10 percent due to net migration. After gaining slightly during the 1970's, farming-dependent counties lost 5 percent of their population through net outmigration during the 1980's (app. table 7).

Migration patterns also varied by level of urban influence (fig. 16). After losing population from net migration during the 1970's, large metro areas gained 4 percent during the 1980's due in large part to their ability to attract immigrants. Net migration in all four nonmetro categories decreased between decades, but the drop was larger for nonadjacent counties. Growth from net migration in more rural nonadjacent counties during the 1970's was more than offset by a 5-percent decline in these same counties during the 1980's. Continued expansion of office parks, retail centers, and suburban subdivisions most likely explains the high level of net migration into counties adjacent to large metro areas during the 1980's, but such metro "spillover" was not as large as in the 1970's; around small metro areas, this expansion seems to have greatly diminished.

The South and West continued to attract high numbers of migrants overall during the 1980's, but the nonmetro West grew by almost 4 percent whereas the nonmetro South grew only marginally from net migration (fig. 17). Nonmetro outmigration was concentrated in the Midwest, where the nearly 6-percent loss of population was higher than the population gains in the other three regions put together. Farming-dependent counties in the Midwest, especially more rural, remote counties in the Corn Belt and wheat-growing areas of the northern Great Plains, experienced heavy outmigration as a result of decreasing employment opportunities in agriculture and related industries and an absence of compensating employment growth in other sectors. These and other structural changes in the U.S. economy seem to have weakened the ability of the Midwest as a whole to retain people and attract migrants.

### Nonmetro Areas Losing Human Capital Through Net Migration

Net migration as currently estimated cannot be disaggregated; thus the size of migration flows, along with the characteristics of the migrants themselves, cannot be readily measured. However, some conclusions can be drawn by analyzing migration flow estimates from the decennial census (that only cover the 5 years preceding each census) along with other data sources. Net outmigration of 500,000 masks large migration flows to and from nonmetro areas, perhaps as high as 10 million in and 10.5 million out (measured annually) during the 1980's. The nonmetro population slowdown during the 1980's resulted from both reduced metro-to-nonmetro migration and increased migration in the opposite direction between the 1970's and the 1980's. In both decades, nonmetro-to-metro migrants tended to be younger, better educated, and seeking higher paying jobs requiring higher skills than their metro-to-nonmetro counterparts, and these differences became more pronounced during the 1980's. Also, nonmetro areas received far fewer immigrants than metro areas. This is a disadvantage to nonmetro areas because newcomers to this country, like most long-distance migrants, are selective on traits (such as youth and self-motivation) that often prove beneficial to destination areas.

Figure 16

**Population change due to net migration by degree of urban influence, 1970-90**

**After gaining from net migration during the 1970's, nonadjacent counties experienced net outmigration during the 1980's**

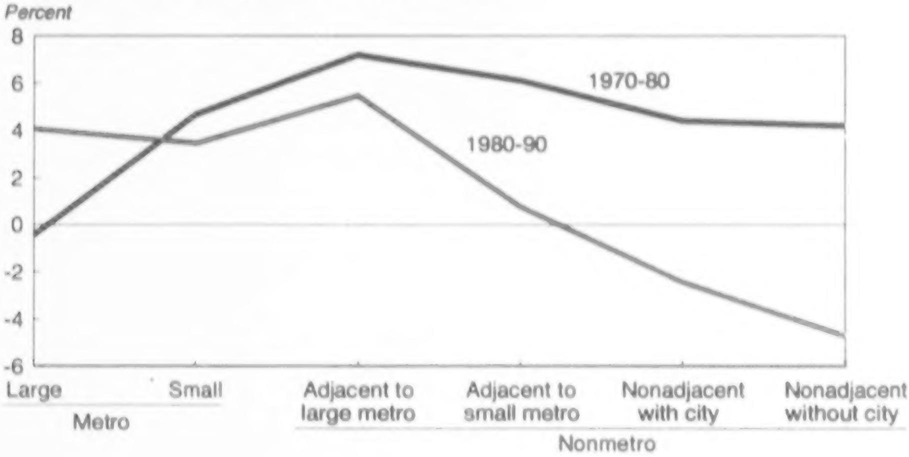
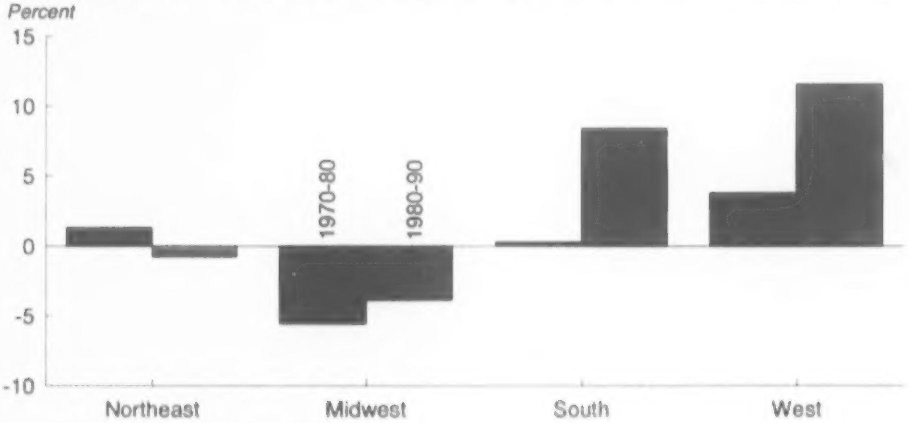


Figure 17

**Population change due to net migration by region, 1970-90**

**Midwest was the only region to lose nonmetro population through net outmigration**



Note: Net migration calculated by Michael J. White, Peter Mueser, and Joseph P. Tierney (1970-80) and Glenn V. Fuguitt (1980-90).

# Fertility Rates Remain Somewhat Higher in Nonmetro Areas

*Lower nonmetro fertility rates and fewer young women entering childbearing years contributed to the population slowdown of the 1980's. Metro fertility rates increased during the 1980's, nearing but still not reaching traditionally higher nonmetro rates.*

Nonmetro women ages 35-44 in 1990 had, on average, given birth to 2.2 children. These women, who were close to completing their childbearing, maintained a fertility rate just above the 2.1 "replacement" level, so called because it is the level at which a population replaces itself.

### Changing Age Structure Lowers Births

Fertility rates, measured here as the average number of children ever born to women in three age groups (15-24, 25-34, and 35-44) fell between 1970 and 1990 (table 5). With fewer nonmetro women aged 15 to 24 producing fewer children on average, the number of children born to young women dropped by 500,000 between 1980 and 1990, contributing to the nonmetro population slowdown. In contrast, because so many women entered their childbearing years during the 1970's, fast nonmetro growth in the 1970's resulted partly from more births within this age group despite declining average births per woman.

The pattern of completed childbearing among 35- to 44-year-olds in 1990 reflects births that were mostly 10-15 years earlier, when these women were in their prime childbearing years. The drop in the rate of fertility among older nonmetro women between 1980 and 1990 mostly reflects factors at work during the 1970's, such as the increase in delayed childbearing as women joined the labor force in growing numbers. However, the lower number of births per woman has been offset by more women. Nonmetro women aged 35-44 in 1990 had produced more children, collectively, than similar-aged women in either of the previous two decades (table 5). Again, a favorable nonmetro age structure contributed to the "rural renaissance" of the 1970's.

### Metro-Nonmetro Fertility Rates Converged in 1980's After Divergence of 1970's

Despite a long-term trend toward convergence with metro patterns, nonmetro fertility rates remained higher in 1990. Nonmetro women ages 35-44 maintained a rate above replacement (2.18 children ever born) while the rate among metro women fell below replacement for the first time, down to 1.90 children ever born to women ages 35-44 (app. table 8). Nonmetro younger women (15-24) had 1.2 children, on average, for every metro child during the 1980's, down from 1.3 to 1 during the 1970's (table 5). The convergence occurred because young metro women maintained the same level of fertility between the 1970's and 1980's as rates declined for young nonmetro women.

During the 1970's, the drop in fertility rates was larger among metro women, who tend to lead nonmetro women when fertility trends change. Because nonmetro women have higher rates, the ratio between nonmetro and metro fertility rates diverged during this baby-bust period, creating a short-term reversal of convergence trends. The divergence is evident in progressively higher nonmetro/metro ratios among women 25-34 years of age over two decades (table 5). The fact that nonmetro-metro differences in 1990 are largest during the middle years of childbearing, rather than the early years as in 1970 and 1980, reflects the higher incidence of delayed childbearing among metro women. At later ages, when fertility is complete, nonmetro-metro differences are smaller.

Beginning in the early 1980's, U.S. fertility began to rise again. The change is evident in the rates of younger metro women, whose fertility rate failed to decline for the first time since the 1960's (app. table 8). Although not visible in the completed fertility rates of older women, other data indicate that the fertility rate of older women significantly increased during the 1980's in metro areas. This increase was largely attributable to women "catching up" after having delayed childbearing during their twenties. While this trend affected all areas, it was more prevalent in metro areas. Rising metro fertility marked a period of renewed convergence in nonmetro-metro fertility rates and contributed to faster metro population growth during the 1980's.

### Fertility Patterns Differ in West

Completed fertility rates were higher in the Midwest in 1990 than elsewhere, although nonmetro rates were not much higher than in the West (app. table 8). All nonmetro regions had higher than replacement fertility, except the Northeast where completed fertility fell from 2.78 to 1.99 during the 1980's. The nonmetro West was the only region of the country to experience no decrease in fertility rates during the 1980's for women in their late twenties and early thirties, the main childbearing years. This part of the country, which has been growing rapidly in recent years, may be slightly ahead of other nonmetro areas in experiencing the fertility rate increase that began in metro areas during the 1980's. However, the nonmetro West contains groups that traditionally have large families (Hispanics, Mormons), so its fertility trends may not be highly related to fertility rate changes in other regions' nonmetro areas.

Table 5

**Children ever born to nonmetro women by age group, 1970-90**

Number of nonmetro births per woman declined for all age groups since 1970

| Year/age group | Number of nonmetro children born | Average children born per nonmetro woman | Average nonmetro children per metro child |
|---|---|---|---|
| | *Thousand* | *Number* | |
| 1990: | | | |
| 15-24 | 1,393 | 0.35 | 1.22 |
| 25-34 | 7,048 | 1.63 | 1.30 |
| 35-44 | 8,743 | 2.18 | 1.15 |
| 1980: | | | |
| 15-24 | 1,900 | .39 | 1.32 |
| 25-34 | 7,029 | 1.76 | 1.25 |
| 35-44 | 8,500 | 2.90 | 1.13 |
| 1970: | | | |
| 15-24 | 1,681 | .42 | 1.22 |
| 25-34 | 6,428 | 2.43 | 1.18 |
| 35-44 | 8,398 | 3.28 | 1.14 |

# Fewer Nonmetro Children Live With Both Parents

*The rise in the number of children living outside two-parent families was greater in nonmetro than metro areas during the 1980's. Such children now comprise a quarter of nonmetro children. A sharp rise in families headed by women during the 1980's, especially among Blacks, added to the historically large percentage of nontraditional family arrangements within the nonmetro South.*

In 1990, close to 4 million nonmetro children lived in families that did not have both parents present. In most cases, these children were living with mothers who were divorced, widowed, or had never married. Others were living in a diversity of arrangements, such as with grandparents or other relatives. For the country as a whole, the number of children living in nontraditional families, mostly with single mothers, reached over 18 million by 1990.

### Nonmetro Families Headed by Single Mothers Increase

The number of nonmetro children living outside two-parent families increased by over a million between 1970 and 1990 (app. table 9). One in four nonmetro children now live with one or no parent, up from one in six in 1970. This figure is still lower than in metro areas, where close to 30 percent of children do not live with both parents. However, the percentage increased faster in nonmetro areas during the 1980's than in metro areas, whereas increases were not as large in nonmetro areas during the 1970's. Although all types of nontraditional families increased, the primary cause of the nonmetro increase during the 1980's was the sharp rise in the number of families headed by single mothers, an arrangement more commonly found in metro areas. Family structure in nonmetro areas became more similar to that in metro areas during the 1980's.

### Regional Differences in Family Structure Persist

Two-parent families historically have been less common in the South, where a metro-nonmetro gap in the percentage of children living outside two-parent families hardly exists (fig. 18). The percentage is over 30 percent in the nonmetro South, while no other nonmetro region was higher than 26 percent. The growth in families headed by women is especially evident within the Black community, and the vast majority of nonmetro Blacks live in the South. The higher percentage in the nonmetro South compared with other regions also reflects a strong extended family tradition within the South, especially among Black families, in which children not living with both parents are nonetheless often benefiting from the presence of relatives who provide parenting.

In contrast to the South, the nonmetro Midwest stands out for its high proportion of children living in two-parent families. The metro-nonmetro gap is still large in the Northeast and Midwest. A large Hispanic presence in the nonmetro West contributes to the relatively high percentage of children living outside two-parent families. The number of children living outside two-parent families rapidly increased in all nonmetro areas during the 1980's. Even in the nonmetro Midwest, the percentage jumped from 15 to 20 percent (app. table 9).

### Half of Black Children Are Raised in One-Parent Families

Data on racial differences in family structure are available only for a related measure—the percentage of family households with children under age 18 with only one parent present. This differs somewhat from the previous measure by counting families (rather than children) and by excluding families headed by someone other than the parent, such as when a grandparent heads an extended family. Among the 6.4 million nonmetro White families with children, 17 percent had only one parent in 1990 (app. table 10). In contrast, 49 percent of nonmetro Black families and 23 percent of nonmetro Hispanic families with children had one parent.

During the 1980's single-parent families increased among all three groups in metro and nonmetro areas, with nonmetro areas rising slightly faster (fig. 19). The percentage of Black single-parent households rose above 50 percent in metro areas during the 1980's, but it had already come close to that mark in the previous decade. The percentage in nonmetro areas rose from 38 to 49 percent during the 1980's, as the number of households headed by women increased. Nonmetro Black children are still less likely to be raised by a single mother than their metro counterparts, but the gap is narrowing.

Hispanic single-parent households are also rising rapidly in nonmetro areas but remain closer to the levels of the nonmetro White population than to the Black population. The metro-nonmetro gap is wider among Hispanics than either of the other two groups. For all groups, the rise in households headed by women and the associated high poverty rates experienced by their children is a problem increasingly being shared by nonmetro areas.

Figure 18

## Children not living with both parents by region, 1990

**Metro and nonmetro areas in the South have the highest percentages**

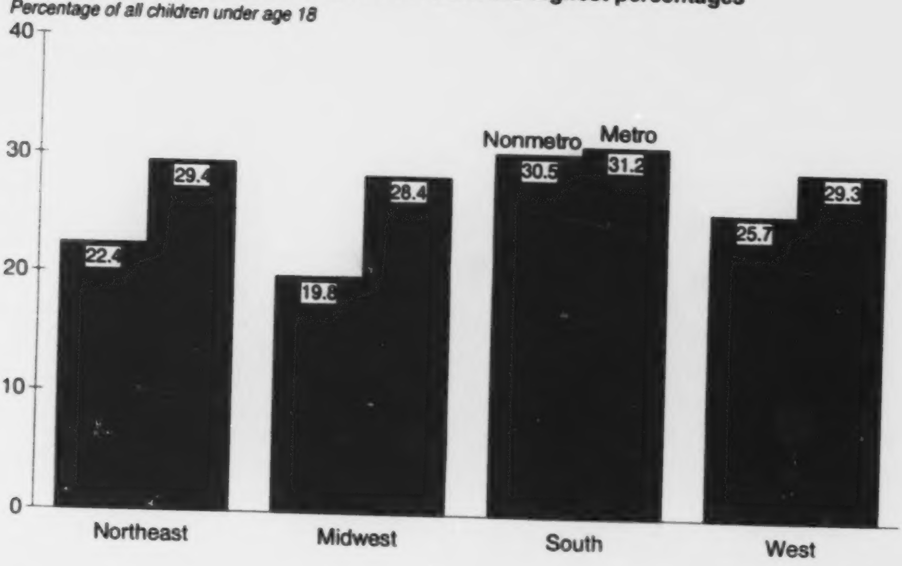
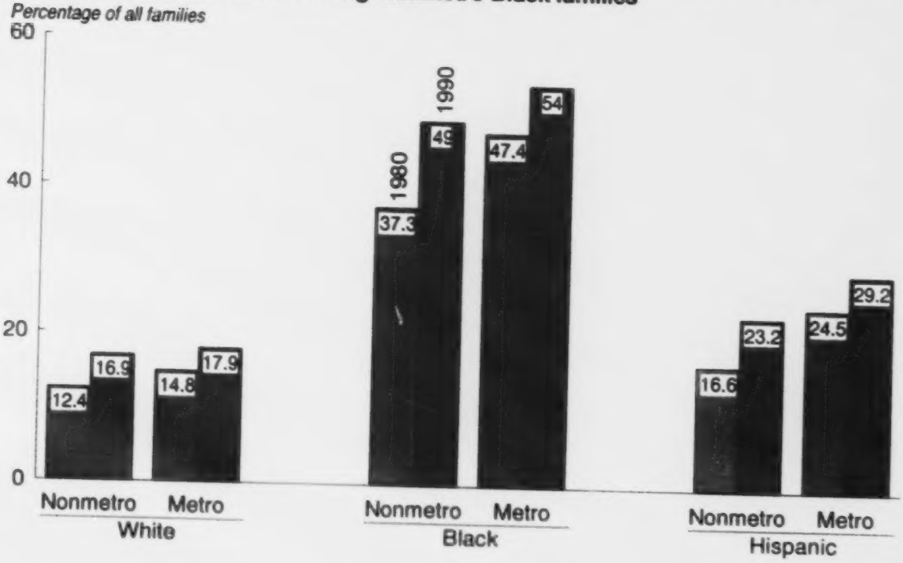


Figure 19

## One-parent families with children by race and ethnicity, 1980-90

**Largest increase occurred among nonmetro Black families**



# Household Formation Continues to Outpace Population Growth

*Increases in single-person households caused household growth to be higher than population growth in both metro and nonmetro areas. Average nonmetro household size fell during the 1980's as many nonmetro counties experienced simultaneous household growth and population decline. Single-person households increased fastest in small metro areas, reflecting a higher than average increase in the population age 65 and older.*

In 1990, 55 million nonmetro household residents lived in 21 million households, an average of 2.6 persons per household (see "Definitions," p. 62). During the past two decades, household formation in both metro and nonmetro areas outpaced population growth. In the 1970's, when the bulk of baby boomers were leaving home and starting their own families, the growth in nonmetro households was more than twice as fast as the growth in population (30 percent versus 14 percent). Both growth rates were not as great during the 1980's, but still household formation exceeded population growth, 10 percent versus 4 percent (table 6). A major reason for rapid household growth was that single-person households continued to grow much more rapidly than households of two or more, rising by more than 23 percent in nonmetro areas. Average household size dropped as a result, from 2.8 to 2.6 persons (app. table 11).

### Gains in Single-Person Households Similar in Metro and Nonmetro Areas

As with population growth, household growth was higher in metro than nonmetro areas during the 1980's. However, growth in single-person households was as high in nonmetro areas. Both types of areas experienced rapid increases in single, widowed, and separated or divorced people in their populations; however, nonmetro areas have relatively higher numbers of older people more likely to be living alone and fewer single or divorced young people forming households on their own. The share of people who live alone reached 25 percent in metro areas and 23 percent in nonmetro areas in 1990 (app. table 11).

Single-person households increased in nonmetro areas in all regions. The number of single-person households grew by 15 percent in the nonmetro Midwest at the same time that the overall population declined there. Single-person households in the nonmetro South and West grew by 35 percent and 40 percent, respectively, where overall population growth, especially among young adults who are likely to live alone, was also relatively high. Average household size decreased in all regions during the 1980's; the West now has slightly larger households than other regions, due in part to the larger households among Hispanics, Mormons, and other groups located primarily in this region.

### Housing Market Conditions Affect Household Formation

The relationship between population, total household, and single-person household growth varied somewhat by degree of urban influence and associated housing costs (fig. 20). The high growth in single-person households in smaller metro areas may be attributed to the attractiveness of these areas to retirees, who have a higher propensity to live alone. Household formation, especially of the single-person type, was relatively low in large metro areas; in most of these cities high population growth during the 1980's tightened an already high-priced housing market. Housing costs are lowest in more rural, remote counties, but this did not lead to higher household formation in these areas during the 1980's at least in part because incomes were also lower. High levels of outmigration may have begun to ease nonmetro housing pressures compared with other areas. A growing metro-nonmetro gap in housing pressure, if it translates into higher metro housing costs as a share of average income, may make smaller cities and rural areas more attractive and thus play a role, along with changing economic conditions, in shaping future population growth patterns.

Table 6

**Households and population, 1980-90**

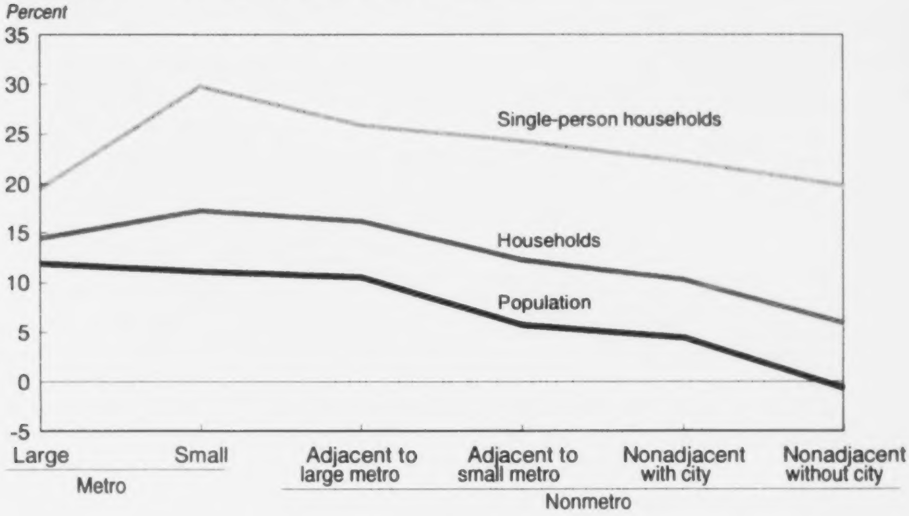
Nonmetro household formation was more than twice the population growth rate

| | 1990 | | | Change, 1980-90 | | |
|---|---|---|---|---|---|---|
| Area | Population | Households | Persons per household | Population | Households | Single-person households |
| | *--------Thousand--------* | | *Number* | *------------------Percent------------------* | | |
| U.S. Total | 242,050 | 91,994 | 2.6 | 9.8 | 14.3 | 23.2 |
| Nonmetro | 54,917 | 20,969 | 2.6 | 4.2 | 10.4 | 22.6 |
| Metro | 187,133 | 71,024 | 2.6 | 11.6 | 15.5 | 23.2 |

Figure 20

**Change in households and population by degree of urban influence, 1980-90**

**Household formation highest in small metro areas**



# Nonmetro College Completion Rates Fall Further Behind Metro

*Nonmetro educational attainment increased substantially between 1970 and 1990; however, nonmetro areas continued to lag metro in both high school and college completion rates. The metro-nonmetro gap in high school completion rates narrowed, while the gap in 4-year college degree completion rates widened between 1970 and 1990.*

Educational levels increased markedly in both nonmetro and metro areas between 1960 and 1990 (table 7). Nonmetro areas began catching up with metro areas in the percentage of the population ages 25 and over having at least a high school diploma, but fell further behind in the proportion of residents having at least a 4-year college degree. The metro-nonmetro gap in college completion rates increased steadily from 1960 to 1990. This widening gap is partially due to the migration of better educated nonmetro residents to metro areas to find jobs commensurate with their skills.

The share of the nonmetro population 25 years of age and older that had completed 4 or more years of college increased from 5.1 to 13 percent between 1960 and 1990. The metro college completion rate increased more than the nonmetro rate, rising from 8.5 percent to 22.5 percent in the same period. A greater demand for more highly skilled and educated workers in metro areas has fueled the rise in their college completion rate. This is evident in the growing share of more highly educated professional-managerial occupations in metro areas compared with nonmetro between 1980 and 1990 (see p. 38). In 1960, the metro-nonmetro gap in college completion rates stood at 3.4 percentage points; by 1990 it increased to 9.5 points (table 7).

High school completion rates show the opposite trend from the college completion rates with the gap between nonmetro and metro rates narrowing between 1960 and 1990. The percentage of nonmetro persons ages 25 and older completing high school or more increased from 34 percent in 1960 to 69.2 percent in 1990, a 35.2-percentage point rise (table 7). This compares with a rise of 33.7 percentage points in metro areas, rising from 43.3 percent in 1960 to 77 percent in 1990. The convergence in metro and nonmetro high school completion rates is due partly to the increasing demand in skills, but also because many employers in both metro and nonmetro areas require a minimum of a high school diploma for employment. The metro-nonmetro gap in the high school completion rate dropped from 9.3 percentage points in 1960 to 7.8 percentage points in 1990.

### Northeast Has Highest College Completion Rates and Smallest Metro-Nonmetro Gap

College completion rates increased faster in metro areas than in nonmetro areas in all regions between 1970 and 1990 (app. table 12). The higher the college completion rate in a region, the smaller the metro-nonmetro difference. The nonmetro Northeast had the highest college completion rate and the smallest metro-nonmetro gap, followed by the West, Midwest, and the South. Metro and nonmetro areas with the highest college completion rates also had the largest shares of professional-managerial jobs.

The high school completion rate in the nonmetro South jumped from 49.2 to 62.1 percent between 1980 and 1990. This increase was the largest of all of the regions; however, the high school completion rate in the nonmetro South remains substantially lower than the other regions. The nonmetro South has a high proportion of less educated Blacks. The percentage of nonmetro high school graduates in the Northeast was 76.0 percent, the Midwest 73.7 percent, and the West 76.6 percent in 1990.

In all census regions, the more urbanized areas had the highest college completion rates and the largest percentage point increases since 1970 (app. table 12). This reflects the greater share of jobs requiring more education and skills found in more urbanized areas. The highest nonmetro college completion rates were found in nonadjacent counties with cities. More rural, remote counties had the lowest college completion rates.

### Retirement-Destination Counties Have Highest Levels of Educational Attainment

Retirement-destination counties had the highest college completion rate of nonmetro county types in 1990 (app. table 12). In retirement-destination counties, 13.7 percent of persons 25 and older had 4-year college degrees, and 69.8 percent had completed high school or more. Retirement-destination counties also had the highest proportion of professional-managerial occupations of the county types. Farming-, mining-, and manufacturing-dependent counties recorded modest increases in high school and college completion rates. Persistent low-income counties had the lowest education levels and the smallest increases between 1980 and 1990. Only 45.9 percent of the population in persistent low-income counties had completed high school or some college and only an additional 8.6 percent had a 4-year college degree in 1990.

### College Completion Rates Increase Slightly for Blacks and Hispanics

College completion rates for nonmetro Blacks and Hispanics increased slightly during the 1980's, but they remained substantially lower than for nonmetro Whites (fig. 21). The college completion rate for nonmetro Blacks increased from 5.2 percent in 1980 to 6.1 percent in 1990, for nonmetro Hispanics it rose from 5.1 to 6.3 percent, and for nonmetro Whites it rose from 11.5 to 13.0 percent. The metro-nonmetro gap in college completion rates increased for all three groups, but remained widest among Whites. The metro-nonmetro gap in 1990 was 10.4 percentage points for Whites, 6.3 percentage points for Blacks, and 3.3 percentage points for Hispanics (app. tables 13, 14, and 15).

High school completion rates for nonmetro Blacks showed some gains relative to Whites between 1980 and 1990 (app. tables 13 and 14). The high school completion rate for nonmetro Blacks 25 and older increased from 34.2 percent in 1980 to 48.5 percent in 1990, a gain of 14.3 percentage points. For nonmetro Whites, the high school completion rate increased 10.4 percentage points, from 61.1 percent to 71.5 percent. Nonmetro Hispanics had a slightly smaller, 9.3-percentage point, gain in high school completion, from 37.1 percent to 46.4 percent (app. table 15).

Table 7

**High school and college completion rates, 1960-90**

The metro college completion rate has consistently increased faster than the nonmetro rate, even during the "rural renaissance" of the 1970's

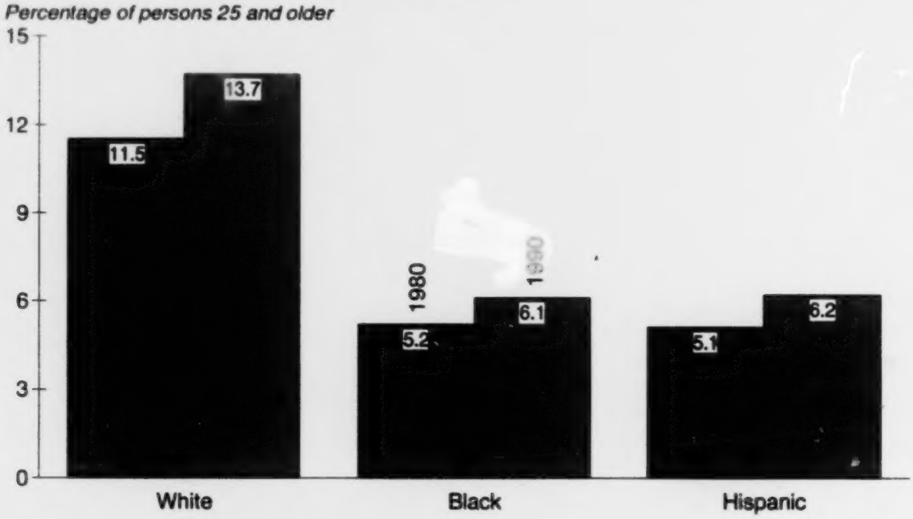
| | Completed high school or more | | | | Completed college or more | | | |
|---|---|---|---|---|---|---|---|---|
| Year | U.S. | Metro | Nonmetro | Metro-Nonmetro difference | U.S. | Metro | Nonmetro | Metro-Nonmetro difference |
| | *Percent* | | | *Percentage points* | *Percent* | | | *Percentage points* |
| 1990[1] | 75.2 | 77.0 | 69.2 | 7.8 | 20.3 | 22.5 | 13.0 | 9.5 |
| 1980 | 66.5 | 69.0 | 58.7 | 10.3 | 16.2 | 17.9 | 11.0 | 6.9 |
| 1970 | 52.4 | 54.8 | 44.3 | 10.5 | 10.7 | 11.8 | 7.0 | 4.8 |
| 1960 | 41.1 | 43.3 | 34.0 | 9.3 | 7.7 | 8.5 | 5.1 | 3.4 |

[1] Educational attainment in 1990 was measured by asking respondents if they had a high school diploma (including GED's) or bachelor's or professional degree. Earlier censuses asked respondents for the number of years of schooling completed. Although the correspondence between these two questions is not exact, a high school diploma in 1990 is assumed to equal completing 12 years of schooling in earlier decades, and a bachelors' degrees is assumed to equal completing 4 years of college.

Figure 21

**Nonmetro college completion rates by race, 1980-90**

**The share of Whites completing college increased more over the decade, leaving Blacks and Hispanics further behind**



# Nonmetro Labor Force Size and Participation Rate Up Moderately

*Both the size of the nonmetro labor force and the nonmetro participation rate increased modestly during the 1980's, although more slowly than in metro areas. The rise in labor force size during the 1970's and 1980's was largely the result of the increasing proportion of women working or looking for work. The increase in labor force participation was entirely due to women entering the labor force, more than compensating for the slight decline in men's labor force participation.*

Labor force participation rates and numbers of persons in the labor force increased in nonmetro and metro areas between 1980 and 1990. Increases in labor force participation rates were due to increases in women working or looking for work. Women's labor force participation accelerated in the 1980's as more women sought careers outside the home and also worked to help maintain family living standards. Women entering the labor force also accounted for a large proportion of overall labor force growth in both nonmetro and metro areas during the 1970's and 1980's. The largest increase in labor force participation was among women with children (fig. 22).

### Women Account for Most Labor Force Growth In the 1980's

The nonmetro labor force grew 11.8 percent between 1980 and 1990, up from 23.3 million persons to 26.1 million. This compares with an increase of 31.4 percent during the 1970's when a more robust nonmetro economy, large numbers of baby boomers entering working age, and an increasing number of women joining the labor force fueled labor force growth (app. table 16). During the 1980's, however, the increasing number of women entering the labor force accounted for almost all nonmetro labor force growth. Also, notable increases in the working-age Hispanic and Black populations helped push up labor force growth. The number of nonmetro women in the labor force increased by 22.8 percent during the 1980's (accounting for 78 percent of total growth), compared with a 4.4-percent increase for men (22 percent of total growth). Among nonmetro Hispanics and Blacks, the labor force grew by 40.2 percent (9.6 percent of total growth) and 16.1 percent (9.6 percent of total growth), respectively (table 8).

### Nonmetro Labor Force Participation Rates Lower Than Metro

Metro labor force participation rates have exceeded nonmetro for both men and women for decades. In part, a higher percentage of persons over 65 years old not in the labor force and a larger percentage of discouraged workers who think they cannot get a job have kept nonmetro labor force participation rates below metro. In 1970, nonmetro labor force participation was 54.1 percent, 5.3 percentage points lower than in metro areas. By 1990, the nonmetro labor force participation rate had increased to 60.4, 6.3 percentage points lower than metro. The small increase in the metro-nonmetro gap between 1970 and 1990 was due to a larger drop in nonmetro labor force participation for men. However, over one-third of the metro-nonmetro difference in 1990 can be attributed to a higher proportion of retirees. The nonmetro labor force participation rate for persons ages 16-64 in 1990 was 73 percent, 3.9 percentage points lower than metro residents in the same age group.

### Women's Labor Force Participation Rate Increases, Men's Rate Falls

During the 1970's and 1980's, women's labor force participation increased in all regions, and at all levels of urban influence. For men, in contrast, labor force participation fell in all regions, and at most levels of urban influence. The proportion of nonmetro women working or looking for work increased from 37.3 percent in 1970 to 51.8 percent in 1990. Labor force participation for metro women increased from 42.6 percent to 58.2 percent in the same period.

Female labor force participation rates are generally highest for young women without children, lowest for women with young children, and in between for women with older children. The labor force participation rate for nonmetro women with children under 18 years old increased from 54.6 percent to 68.2 percent between 1980 and 1990. For metro women with children under 18 years old, the labor force participation rate also increased, rising from 55.5 percent in 1980 to 67.5 percent in 1990. The wider availability of child care and lower fertility rates have helped increase female labor force participation in both nonmetro and metro areas.

Nonmetro men's labor force participation, in contrast, fell slightly from 72 percent to 69.6 percent between 1970 and 1990 (fig. 22). Men's labor force participation has fallen partially because of earlier retirement, but also because men laid off during middle age have a difficult time finding new jobs. Labor force participation for men in metro areas showed a similar drop off, falling from 78 percent in 1970 to 75.9 percent in 1990.

Table 8

**Labor force participation by sex, presence of children, and race and ethnicity, 1980-90**

Labor force participation increased most among women with children

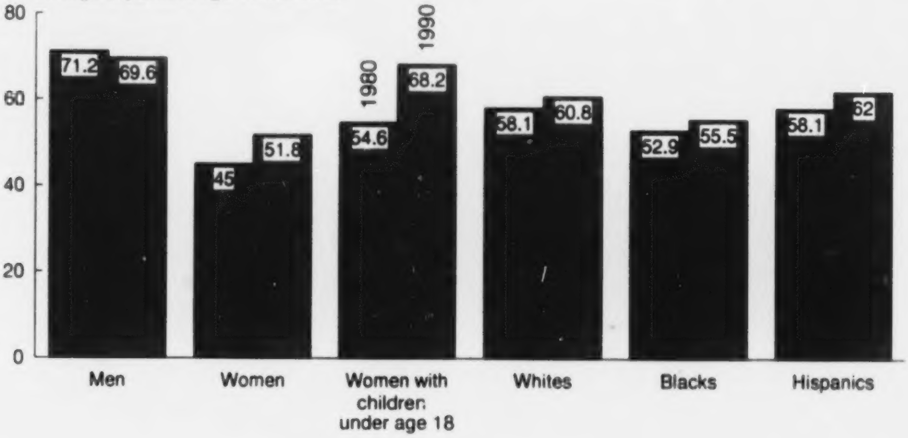
| Item | Labor force participation rate | | Labor force growth, 1980-90 | | Share of total growth |
|---|---|---|---|---|---|
| | 1980 | 1990 | | | |
| | Percent | | Million | Percent | |
| United States | 62.0 | 65.3 | 19.1 | 18.0 | 100.0 |
| Male | 75.1 | 74.4 | 7.1 | 11.5 | 37.1 |
| Female, total | 49.9 | 56.8 | 12.0 | 26.9 | 62.9 |
| With children: | | | | | |
| Under 18 | 55.3 | 67.7 | 4.5 | 26.6 | 23.6 |
| Under 6 | 45.7 | 59.7 | 2.9 | 46.2 | 15.1 |
| Whites | 62.2 | 65.4 | 12.5 | 13.8 | 65.3 |
| Blacks | 59.4 | 62.7 | 2.6 | 24.1 | 13.6 |
| Hispanics | 63.4 | 67.5 | 4.0 | 66.4 | 21.2 |
| Nonmetro | 57.6 | 60.4 | 2.8 | 11.8 | 100.0 |
| Males | 71.2 | 69.6 | 0.6 | 4.4 | 22.0 |
| Females, total | 45.0 | 51.8 | 2.2 | 22.8 | 78.0 |
| With children: | | | | | |
| Under 18 | 54.6 | 68.2 | 1.0 | 23.4 | 34.7 |
| Under 6 | 46.4 | 60.8 | .4 | 27.7 | 16.1 |
| Whites | 58.1 | 60.8 | 2.3 | 11.2 | 84.4 |
| Blacks | 52.9 | 55.5 | .3 | 16.1 | 9.6 |
| Hispanics | 58.1 | 62.0 | .3 | 40.2 | 9.6 |
| Metro | 63.3 | 66.7 | 16.3 | 19.7 | 100.0 |
| Males | 76.4 | 75.9 | 6.5 | 13.7 | 39.7 |
| Females, total | 51.4 | 58.2 | 9.9 | 28.0 | 60.3 |
| With children: | | | | | |
| Under 18 | 55.5 | 67.5 | 3.6 | 27.7 | 21.8 |
| Under 6 | 45.4 | 59.4 | 2.4 | 52.6 | 14.9 |
| Whites | 63.5 | 66.9 | 10.1 | 14.6 | 62.1 |
| Blacks | 60.8 | 64.1 | 2.3 | 25.6 | 14.3 |
| Hispanics | 64.1 | 68.1 | 3.8 | 69.6 | 23.1 |

Figure 22

## Nonmetro labor force participation rates, 1980-90

**Labor force participation among women with children increased rapidly over the decade**

*Percentage of persons age 16 and older*



### High Labor Force Participation in Nonadjacent Counties With Cities,...

Labor force participation rates tend to rise with the degree of urban influence. In nonmetro areas, nonadjacent counties with cities had the highest labor force participation rates (62.2 percent) in 1990 (fig. 23 and app. table 17). These areas also had the highest college completion rates, the largest share of professional-managerial jobs, and the largest proportion of urban population among nonmetro counties. Also, labor force participation for nonmetro women was highest in these counties. Nonmetro counties adjacent to large metro areas had the second highest labor force participation rate, 60.9 percent in 1990. The lowest labor force participation rate were in more rural, remote counties (58.2 percent in 1990). More rural, remote counties had the lowest college completion rate and share of professional-managerial jobs.

### ...in Manufacturing-Dependent Counties,...

Labor force participation rates rose in all county types during the 1980's (fig. 24). Despite similar increases, major differences exist in the overall levels of labor force participation across county types. Manufacturing-dependent counties had the highest labor force participation rates for both men and women in 1970, 1980, and 1990. Farming-dependent counties had the next highest level of participation, followed by retirement-destination, mining-dependent, and persistent low-income counties (app. table 17). In retirement-destination counties, labor force participation rose as their economies grew faster than the nonmetro average, attracting many younger workers seeking jobs. The poor economic performance of the mining sector during the 1980's resulted in lower participation levels in mining-dependent counties.

### ...and in the Nonmetro Northeast

Labor force participation rates were generally highest in regions with high educational levels and high proportions of managerial-professional jobs. The nonmetro Northeast had the highest level of labor force participation and the largest percentage increase during the 1980's. The nonmetro South had the lowest labor force participation rate and the lowest percentages of college completion and managerial-professional jobs. In the Northeast the labor force participation rate increased from 58.4 percent in 1980 to 62.5 percent in 1990, followed by the Midwest, 59.0 percent to 62.0 percent, the South from 55.9 percent to 58.5 percent, and the West, 59.6 percent to 61.2 percent.

Figure 23

## Labor force participation by degree of urban influence, 1970-90

**Labor force participation increased in all areas over both decades; it remains highest in large metro areas**

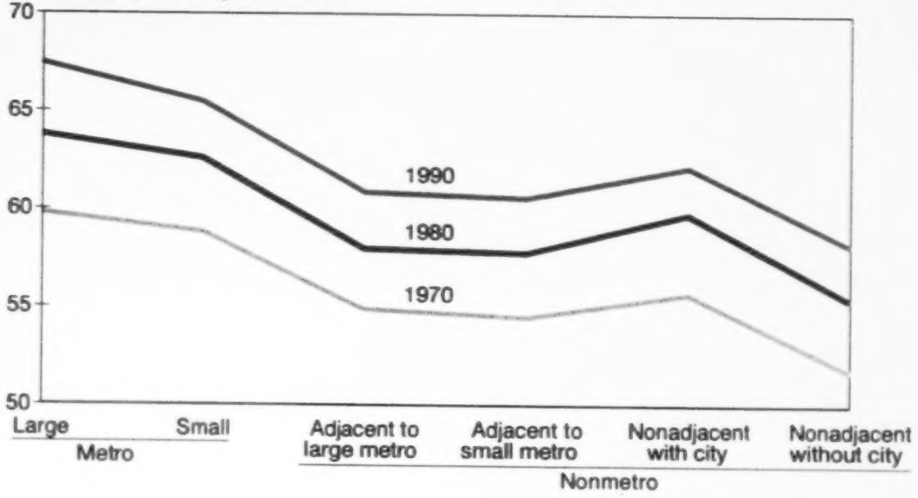
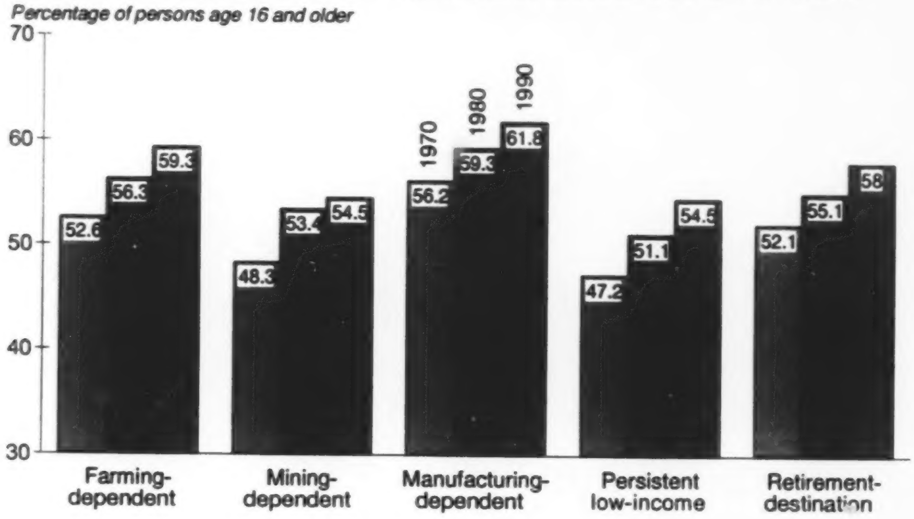


Figure 24

## Labor force participation by nonmetro county type, 1990

**Labor force participation increased in all county types, but manufacturing counties remain the only type with labor force participation above the total nonmetro rate**



# Nonmetro Areas Trail Metro in Growth of High-Income Occupations

*Nonmetro areas fell further behind metro in the proportion of jobs in higher paying professional and managerial occupations between 1980 and 1990. The percentage of nonmetro jobs in production occupations declined, while support and sales occupations increased. Nonmetro jobs in farming, forestry, and fishing occupations also declined.*

The proportion of nonmetro jobs in higher paying professional and managerial occupations increased from 19.9 percent to 22.6 percent between 1980 and 1990. At the same time, the percentage of production jobs fell from 45.5 percent to 40 percent. Although production jobs make up the largest occupational group in nonmetro areas, jobs in the lowest paying occupational group, support and sales, are increasing and may soon surpass production jobs as the largest group. The highest paying occupations are concentrated in the areas with the highest education levels.

Metro areas showed the same general pattern of occupational change as nonmetro areas; however, metro areas have higher proportions of professional and managerial and support and sales occupations. In metro areas, the proportion of higher paying professional and managerial occupations increased at a faster rate than in nonmetro areas, while the lowest paying support and sales occupations increased faster in nonmetro areas. The percentage of metro jobs in professional and managerial occupations increased 4.6 percentage points, from 27.4 percent to 32.0 percent of jobs between 1980 and 1990. Metro production occupations dropped from 30.8 percent to 25.7 percent (table 9).

### Metro Areas Have Greater Concentrations of Higher Paying Occupations

The higher the level of urban influence, the higher the proportion of professional and managerial occupations and the lower the proportion of production occupations (fig. 25). In large metro areas, 33.7 percent of workers were in professional and managerial occupations, compared with 29.5 percent in small metro areas in 1990. In nonmetro areas, nonadjacent counties with cities had the highest proportion of professional and managerial occupations, 25.1 percent. Lower paying production jobs in farming, operator, fabricator, repair, and laborer occupations were least concentrated in those counties. In the more rural, remote counties, production occupations accounted for 43.9 percent of total jobs in 1990.

### Farming, Forestry, and Fishing Occupations Decline

In nonmetro areas, production jobs in farming, forestry, and fishing occupations declined between 1980 and 1990. Much of the decline was in farming occupations where larger and more efficient farms have lead to a drop in employment. In 1980, 7.7 percent of nonmetro jobs were in farming, forestry, and fishing occupations. By 1990, this figure had dropped to 6.0 percent (app. table 18). In metro areas, the proportion of employed workers in farming, forestry and fishing occupations held at 1.5 percent in 1980 and 1990.

### Northeast Had Largest Gains in Higher Paying Occupations

By region, the nonmetro Northeast had the largest increase in higher paying professional and managerial jobs between 1980 and 1990, and the highest overall level. The proportion of professional and managerial occupations in the nonmetro Northeast increased from 22.5 percent in 1980 to 26.6 percent in 1990 (app. table 18). Rapid growth in banking, finance, and defense industries during the 1980's contributed to these gains in the nonmetro Northeast. The nonmetro South had the second highest increase in professional and managerial occupations, but still had the lowest overall level in 1990. The nonmetro Northeast also had the largest decline in production occupations, the share of these occupations fell from 41.7 percent in 1980 to 35 percent in 1990. Overall, the highest proportion of production occupations was in the South, followed by the Midwest, Northeast, and the West.

Table 9

**Occupational distribution, 1980-90**

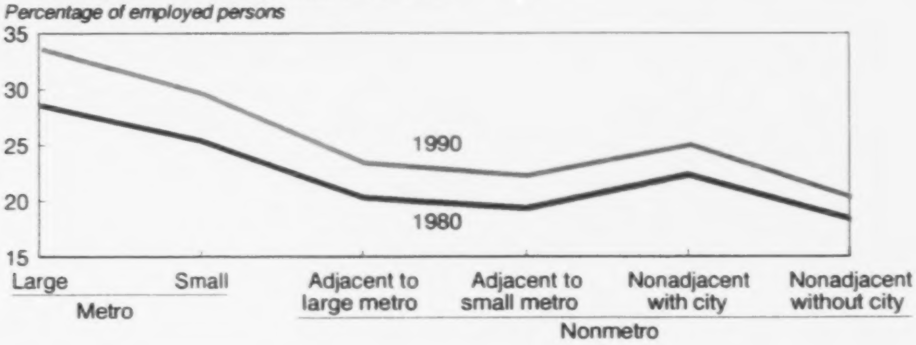
Nonmetro areas have a lower proportion of professional-managerial occupations

| Occupation | Nonmetro 1990 | Nonmetro 1980 | Metro 1990 | Metro 1980 |
|---|---|---|---|---|
| | *Percent of employed persons* | | | |
| Professional-managerial | 22.6 | 19.9 | 32.0 | 27.4 |
| Professional, executive, managerial, and administrative | 19.8 | 17.7 | 28.1 | 24.1 |
| Technicians and related support occupations | 2.8 | 2.2 | 3.9 | 3.3 |
| Support-sales and service | 37.4 | 34.6 | 42.3 | 41.8 |
| Administrative support | 13.0 | 12.7 | 17.1 | 18.5 |
| Sales | 10.1 | 8.6 | 12.2 | 10.4 |
| Service | 14.3 | 13.3 | 13.0 | 12.9 |
| Production | 40.0 | 45.5 | 25.7 | 30.8 |
| Farming, forestry, and fishing | 6.0 | 7.7 | 1.5 | 1.5 |
| Precision production, craft, and repair | 13.4 | 14.5 | 10.8 | 12.4 |
| Machine operators, assemblers, and inspectors | 10.1 | 11.9 | 6.0 | 8.6 |
| Transportation and moving equipment operators | 5.5 | 5.9 | 3.7 | 4.1 |
| Handlers, equipment cleaners, helpers, and laborers | 5.0 | 5.5 | 3.7 | 4.2 |

Figure 25

### Professsional and technical occupations by degree of urban influence, 1980-90

**Large metro areas had the largest share of workers in professional and technical jobs, increasing their advantage over the decade**



**Which Occupations Have the Highest Weekly Earnings?**

Census data for 1990 showing which occupations have the highest earnings were not available at the time of this analysis. Data collected in the 1990 Current Population Survey, however, can be used to examine how earnings vary with occupation. This table shows professional and technical jobs average the highest weekly earnings followed by production workers, support and sales workers, and service workers.

Annual average median weekly earnings of full-time wage and salary workers, 1990

| Occupation | Median weekly earnings | Workers |
|---|---|---|
| | *Dollars* | *Thousands* |
| Professional and managerial | 594 | 26,076 |
| Professional, executive, managerial | 608 | 22,858 |
| Technicians and related support | 493 | 3,218 |
| Support, sales, and service | 340 | 31,588 |
| Sales | 401 | 8,197 |
| Administrative support | 350 | 14,384 |
| Service | 268 | 9,007 |
| Production | 390 | 27,426 |
| Farming, forestry, and fishing | 257 | 1,432 |
| Precision production, craft, and repair | 477 | 11,062 |
| Operators, fabricators, and laborers | 339 | 14,932 |

Source: *Employment and Earnings*, Table 56, pp. 223-7, January 1991.

# Service Industries Dominate Nonmetro Employment Growth

*Although nonmetro employment in agriculture and mining declined and nonmetro manufacturing employment stagnated, total nonmetro employment grew 12.3 percent in the 1980's. The service sector accounted for 90 percent of the gains. Nonmetro business services continued to expand rapidly.*

In 1990, the service sector dominated the industrial landscape, accounting for 64.2 percent of nonmetro employment and 75.0 percent of metro employment (fig. 26). The next largest sector, manufacturing, employed about 21 percent of nonmetro workers and 17 percent of metro workers. In nonmetro areas, the construction and agriculture sectors each accounted for about 7 percent of total employment, and mining claimed only 1.5 percent.

Paralleling the 1970's, service-sector growth governed nonmetro employment trends during the 1980's. Service industries accounted for about 90 percent of new employment between 1980 and 1990. Nonetheless, nonmetro service-sector gains during the 1980's (2.8 million newly employed) were only about 80 percent of those of the 1970's, as nearly all industries experienced slower growth during the 1980's than during the previous decade (table 10). The slower growth of nonmetro employment partly reflects 1980's nonmetro population growth, which was only one-third of its 1970's growth.

### Nonmetro Performance in Services Similar to Metro but Slightly Lower

The service sector is a large diverse group of industries. It includes a wide range of activities from auto repairing to medical care to economic consulting. Appendix table 18 summarizes the trends of the last two decades for five broad service sectors: those devoted to distributing goods and services (transportation, communications, public utilities, and wholesale trade), those primarily devoted to servicing businesses (finance, insurance, and real estate; business and repair services; and other professional services), those nonretail services devoted primarily to servicing consumers (health, entertainment, recreation, and personal services), retail trade, and those devoted primarily to serving the public but paid for, at least in part, through taxes (public administration and education).

Most services tend to locate where they can attract the most customers and, therefore, locate in or near centers of economic activity. Thus, service employment per capita in nonmetro areas is only 85.6 percent of that in metro areas. Portions of the industry with a particular metro propensity are distributive and business services. Only education services tend to be more heavily represented in nonmetro areas.

Growth of employment in services was more highly related to a county's level of urban influence in the 1980's than in the 1970's (fig. 27). Employment growth in all five major service sectors was highest in nonmetro counties adjacent to large metro areas (app. table 19). Business service employment growth was also higher in nonmetro counties adjacent to small metro areas than in metro areas. Perhaps most notable in nonmetro areas are decreases in the growth of distributive and public services (from 37.1 and 39.3 percent during the 1970's to 9.0 and 10.5 percent during the 1980's). The weakening of both population and household growth during the 1980's probably contributed to growth rate declines in these two sectors.

### Manufacturing Employment Performs Better in Nonmetro Counties

In general, employment growth by sector was lower in nonmetro than in metro counties. Manufacturing, however, displayed the opposite pattern. Metro manufacturing employment declined 8.5 percent, or 1.4 million workers, while manufacturing's nonmetro employment declined by only 0.2 percent or about 12,000 workers (table 10). Nonmetro employment in durable manufacturing (e.g., furniture, equipment, machinery, metals production) increased by 3.8 percent, while metro employment declined 8.7 percent (app. table 19). Much of this growth can be attributed to a simultaneous Frostbelt-to-Sunbelt and metro-to-nonmetro shift, as most of the increases in durables manufacturing occurred in the nonmetro South and West at the expense of the Northeast and metro Midwest. Nondurables manufacturing (such as, food, textiles, apparel, paper, publishing, chemicals) accounted for the decline in nonmetro manufacturing employment, falling 5.6 percent. Trends in nondurables manufacturing employment were uneven across regions, growing by 9.8 percent in the nonmetro West and dropping 16.9 percent in the nonmetro Northeast. Both durable and nondurable employment appear to be continuing a pattern of relocation from the sectors' traditional production areas to take advantage of lower nonmetro wages and to engage in the enlarging markets of the South and West where population has been shifting during the past three decades. Manufacturing-dependent counties were heavy losers of nondurables manufacturing employment, accounting for 88 percent of all nonmetro nondurables employment losses in that sector.

Table 10

### Employment by Industry, 1970-90

Nonmetro employment growth lagged metro growth in nearly all industries during the 1980's

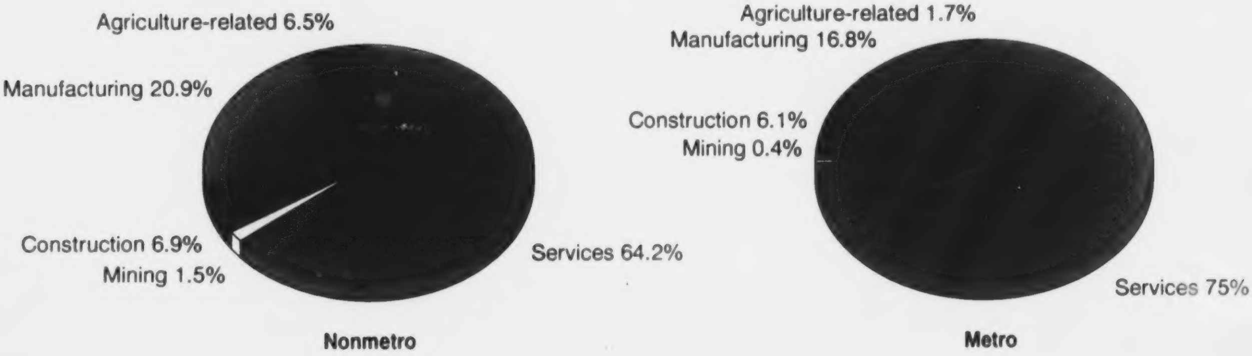
| Item | All industries | Agriculture[1] | Mining | Construction | Manufacturing | Services |
|---|---|---|---|---|---|---|
| | | | *Thousands* | | | |
| 1990 employment: | | | | | | |
| Nonmetro | 24,008 | 1,561 | 365 | 1,653 | 5,023 | 15,406 |
| Metro | 91,673 | 1,554 | 359 | 5,561 | 15,440 | 68,760 |
| | | | *Percent* | | | |
| Nonmetro share of employment | 20.8 | 50.1 | 50.4 | 22.9 | 24.5 | 18.3 |
| Employment change: | | | *Thousands* | | | |
| 1980-90 | | | | | | |
| Nonmetro | 2,627 | -131 | -189 | 190 | -12 | 2,768 |
| Metro | 15,415 | 333 | -116 | 1,285 | -1,441 | 15,354 |
| 1970-80 | | | | | | |
| Nonmetro | 4,779 | -57 | 219 | 325 | 853 | 3,438 |
| Metro | 16,307 | 130 | 178 | 843 | 1,224 | 13,932 |
| Employment change: | | | *Percent* | | | |
| 1980-90 | | | | | | |
| Nonmetro | 12.3 | -7.8 | -34.1 | 13.0 | -.2 | 21.9 |
| Metro | 20.2 | 27.3 | -24.4 | 30.0 | -8.5 | 28.7 |
| 1970-80 | | | | | | |
| Nonmetro | 28.8 | -3.2 | 65.7 | 28.5 | 20.4 | 37.4 |
| Metro | 27.2 | 11.9 | 60.0 | 24.5 | 7.8 | 35.3 |

[1] Includes forestry, fishing, and agricultural services.

Figure 26

### Employment by industry, 1990

**A larger share of nonmetro employment is in goods-producing industries; 3 out of 4 metro workers are in services**



### Metro Agriculture-Related Employment Climbs to Nonmetro Levels

Employment in nonmetro agriculture, forestry, fishing, and related services sectors continued to decline (3.2 percent in the 1970's and 7.8 percent in the 1980's). The higher rate of decline in the 1980's might be expected due to the farm financial crisis of the early 1980's. Metro employment growth rate for the sector increased, however, more than doubling from 11.9 percent during the 1970's to 27.3 percent in the 1980's (table 10). By degree of urban influence, agriculture-related employment grew rapidly in large metro areas and moderately in small metro areas while declining in all types of nonmetro areas (fig. 28 and app. table 19). The high metro growth rate during this period is largely due to employment increases in horticultural services and pet care, not farming. The pattern of the past 20 years has created a situation where the sector's metro employment is practically the same size as its nonmetro employment of just over 1.5 million.

The West was the only region in which nonmetro employment in the sector did not significantly decline. Farming-dependent counties lost 14 percent of their agriculture-related employment during the 1980's, but still were home to just over 30 percent of all the sectors' nonmetro workers in 1990.

### Mining Employment Drops, Mining-Dependent Counties Hit Hardest

Although it is one of the smallest sectors, mining saw the largest proportional changes in employment during the 1980's. Nonmetro mining employment declined 34.1 percent; the decline in metro counties was less but still substantial at 24.4 percent. These declines, which began in the early 1980's, probably reflect the worsened U.S. competitive position in fossil fuels prices, mining productivity gains, and decreases in U.S. primary metals production. About 62 percent of the nonmetro mining employment losses (38 percent of the U.S. total) took place in mining-dependent counties.

Figure 27

## Growth in service industry employment, 1970-90

**Employment in service industries grew faster in counties adjacent to large metro areas during the 1980's**

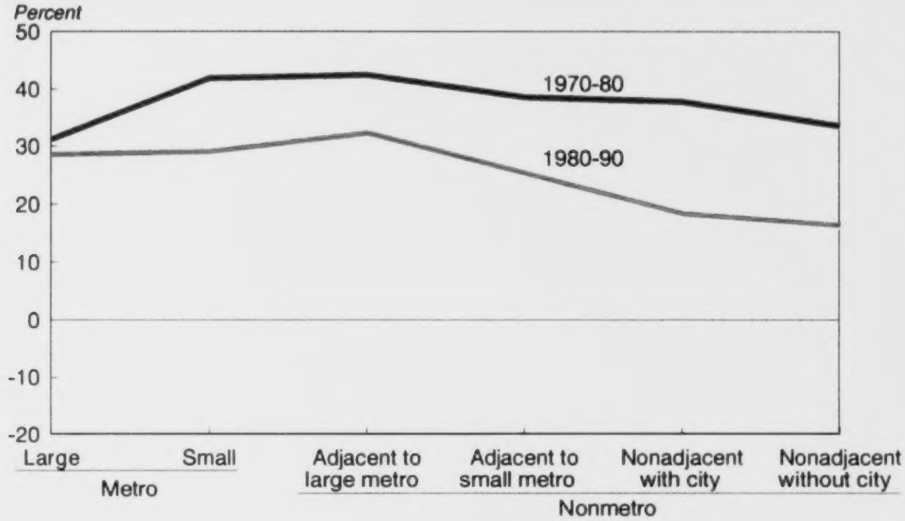
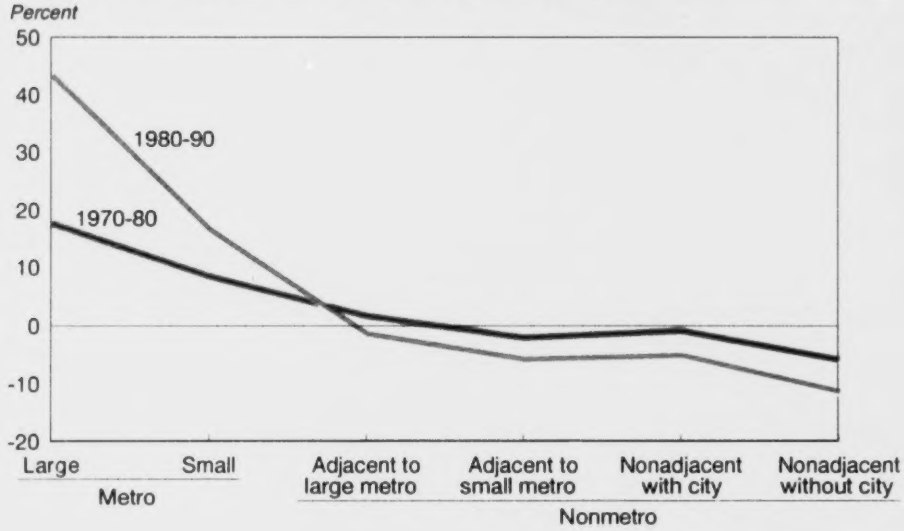


Figure 28

## Change in agriculture-related industries employment, 1970-90

**Although agriculture-related idustries employ a small share of metro workers, metro employment in those industries grew rapidly during the 1980's**



# Commuting Times Increasing, But Shorter for Nonmetro Workers

*Nonmetro residents spend less time commuting than metro residents. During the 1980's, residents of counties adjacent to metro areas experienced sizable increases in their commuting times, and fewer residents of farming-dependent counties worked at home.*

Many costs are associated with traveling to work. Two main costs are direct outlays for transportation and decreased time for household chores, family activities, and leisure. Both of these costs are strongly tied to the time spent commuting. Commuting time varies with place of residence (table 11). In 1990, the average commute in nonmetro areas was 4 minutes shorter than in metro areas (19.1 versus 23.2 minutes). Among nonmetro commuters, those living in remote counties with cities spent the least time commuting, an average of 16.6 minutes.

### Average Commuting Times Increased With Population Growth

The 1980-90 change in the average commute among nonmetro counties was 0.8 minute, similar to the 0.6 minute figure for metro areas. The average commute in nonmetro areas increased with level of urban influence (fig. 29). The main change for journeys to work during the last decade was an increase in the commuting times for residents of adjacent nonmetro counties. The commuting times of workers living in counties adjacent to large metro areas increased most, from 20.5 to 22.2 minutes. This partly was caused by a big jump in the share of workers whose commutes take longer than 30 minutes, from 24.6 percent in 1980 to 35 percent in 1990 (app. table 20). An even higher proportion of large metro area commuters (46.2 percent) took longer than 30 minutes to get to work in 1990.

Although small in terms of the time for any one commuter, the changes in average commuting time during the last decade are sizeable in aggregate. To support this, fig. 30 shows the percent of workers commuting outside their county of residence by level of urban influence. Here, instead of the 8.3-percent increase in commuting times for residents of counties adjacent to large metro areas between 1980 and 1990, we see a 5.6-percentage point increase in the share of them crossing county boundaries to work. The same general pattern of commuting increases can be seen in both figs. 29 and 30, only the magnitude of the change differs.

Residents of nonmetro mining-dependent counties spent about the same amount of time commuting in 1990 as in 1980 (average commuting time decreased by half a minute or 2.2 percent). However, some mining-dependent county residents appear to have widened their job-search range because the percent of commuters who crossed county boundaries increased (app. table 21). The increased time it may have taken those commuters to get to jobs in other counties was apparently offset by an increase in the number of residents who worked at or closer to home.

A decrease in the number of in-county jobs without a corresponding decline in population appears to have forced a higher proportion of farming-dependent-county residents to work at jobs outside their counties (an increase from 19.2 to 24.5 percent). Consequently, farming-dependent-county workers' average commuting times increased by 8.1 percent, or 1.7 minutes, between 1980 and 1990.

### Residents of Low-Income Counties Have Longer Average Commuting Times

Residents in the South consistently had longer average commutes than their counterparts in the rest of America. Longer than average commutes by residents of persistent low-income counties (23.2 minutes versus the nonmetro average of 19.1) contribute the higher southern average. Limited local employment opportunities may force many residents of persistent low-income counties to seek jobs that are farther from their homes.

In nonmetro counties, the share of workers commuting remained constant during the past decade at 95.6 percent, staying lower than the metro number, which declined 0.9 point to 97.6 percent (table 11). The nonmetro change reflects declines in the number of self-employed (1.2 percent), who are more likely to work at home than are wage and salary workers. The percentages of both workers employed at home and self-employed decreased most (1.2 and 3.8 percentage points, respectively) in farm-dependent counties. Along with declining farm numbers, the continuing rise in off-farm employment by farm residents contributed to these trends.

Table 11

### Commuting times, 1980-90

Average nonmetro commuting time increased during the 1980's, but remains a few minutes shorter than the metro average

| Item | 1990 | 1980 | Change |
|---|---|---|---|
| | *Minutes* | | *Percent* |
| Average commuting time: | | | |
| Nonmetro | 19.1 | 18.3 | 4.6 |
| Metro | 23.2 | 22.6 | 2.6 |
| | *Percent of all workers* | | *Percentage points* |
| Workers commuting 30 minutes or more: | | | |
| Nonmetro | 23.3 | 21.2 | 2.1 |
| Metro | 32.3 | 30.5 | 1.8 |
| Workers working at home: | | | |
| Nonmetro | 4.4 | 5.6 | -1.2 |
| Metro | 2.6 | 2.6 | 0. |
| Self-employed workers: | | | |
| Nonmetro | 9.9 | 11.1 | -1.2 |
| Metro | 6.2 | 5.6 | .6 |

Figure 29

### Average commute time, 1980-90

**Workers in nonmetro counties adjacent to large metro areas experienced the largest increase in commuting time during the 1980's**

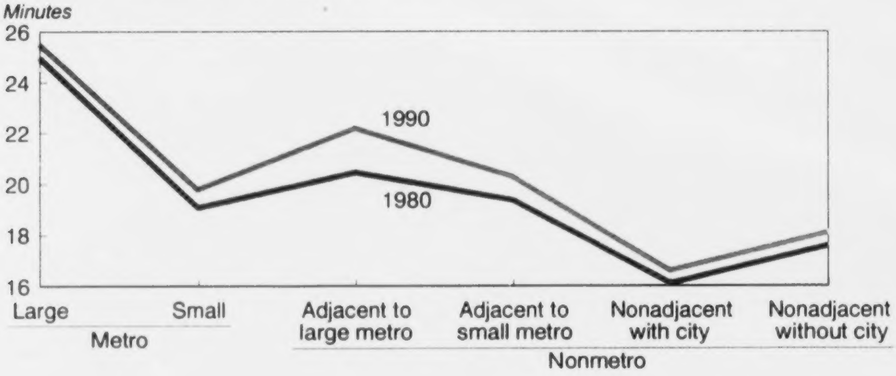
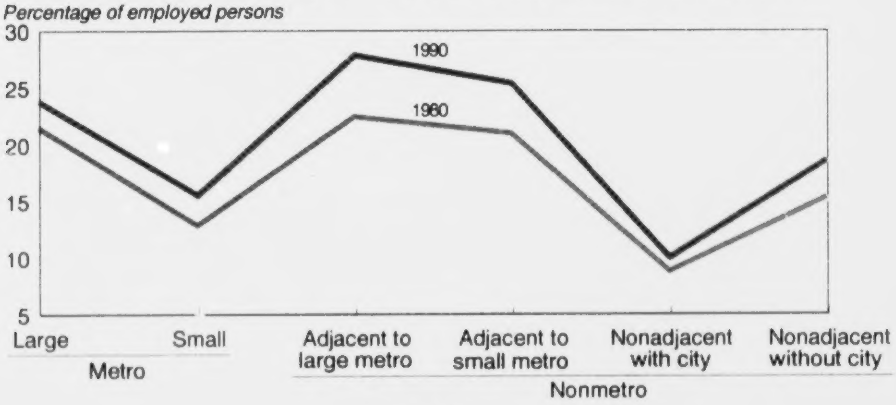


Figure 30

### Persons commuting to another county for work, 1980-90

**Large shares of adjacent-county residents cross county boundaries to their jobs**



# Nonmetro Real Family Income Stagnated During the 1980's

*Gains in median family real income increased with level of urban influence, returning the metro-nonmetro gap to pre-1970 levels. Nonmetro median family income fared better in the Northeast than that in other regions during the 1980's.*

Nonmetro median family income in 1989 was $27,620, 72.8 percent of its metro equivalent. This marks a decline from 1979 levels when nonmetro median family income was $27,791 (in 1989 dollars), 78 percent of its metro equivalent (table 12). In 1969, nonmetro median family income was 74.9 percent of metro income. Gains made during the 1970's toward convergence between metro and nonmetro median family incomes were lost during the 1980's as nonmetro income fell farther below metro income.

Median family incomes increase with level of urban influence (fig. 31). This relationship at least partially reflects the higher proportions of higher paying managerial and professional workers, lower proportions of part-time workers, and the higher labor force participation rate for men in more urbanized counties.

Median family real income declined in remote counties during the 1980's (app. table 22). Adjacent nonmetro counties had marginal growth in real median family income. Declines in median family income in the remote counties may be attributed partly to declining opportunities in farming and mining. Median family real income in farming- and mining-dependent counties decreased 1.4 percent and 15.0 percent, respectively.

Real median family income in persistent low-income counties, which made marked gains during the 1970's, remained fairly constant during the 1980's. This constancy combined with the growth of real family median income in large metro areas put persistent low-income counties in a relatively worse income position relative to metro areas than in 1979.

The slight decline (0.6 percent) in nonmetro median real income during 1979-89 was caused by declines in the nonmetro Midwest and West, 3.1 percent in both regions (app. table 22). Real family incomes grew in the nonmetro Northeast and South during the decade. The nonmetro Northeast experienced faster real income growth during the 1980's than it had during the 1970's (8.7 versus 6.8 percent). The nonmetro South's growth was much more modest than the Northeast's and much lower than the fast income growth it experienced during the 1970's (1.1 versus 24.6 percent). The nonmetro South remains the lowest median income region; however, its continued income growth has contributed to narrowing its gap with the national nonmetro average. Median real income in the nonmetro South was 85 percent of the national nonmetro average in 1969, jumped to 91 percent by 1979, and inched up to 92 percent by 1989.

Table 12

**Median family income, 1969-89**

The nonmetro/metro gap in median family income widened during the 1980's

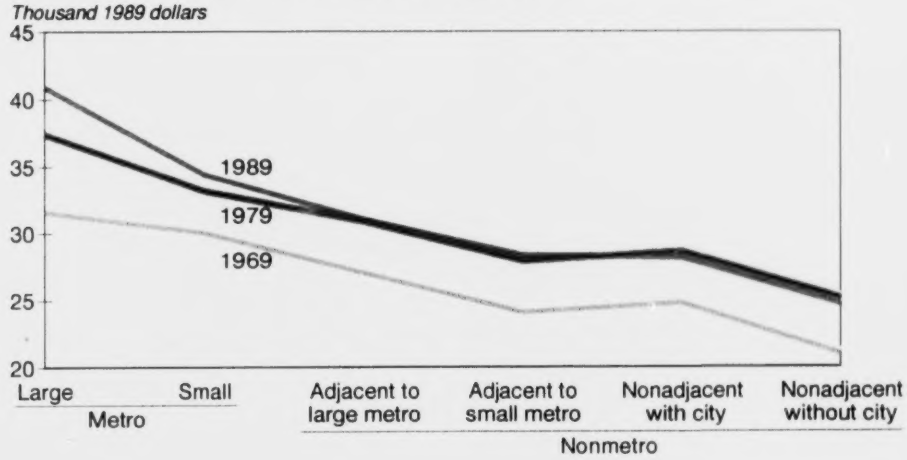
| Item | 1989 | 1979 | 1969 | Change 1979-89 | Change 1969-79 |
|---|---|---|---|---|---|
| | *Dollars* | | | *Percent* | |
| Current dollars: | | | | | |
| United States | 35,224 | 19,916 | 9,589 | 76.9 | 107.7 |
| Nonmetro | 27,620 | 16,451 | 7,458 | 67.9 | 120.6 |
| Metro | 37,933 | 21,104 | 9,962 | 79.7 | 111.8 |
| | *1989 dollars* | | | | |
| Constant dollars:[1] | | | | | |
| United States | 35,224 | 33,645 | 30,734 | 4.7 | 9.5 |
| Nonmetro | 27,620 | 27,791 | 23,906 | -.6 | 16.3 |
| Metro | 37,933 | 35,651 | 31,931 | 6.4 | 11.7 |
| | *Percent* | | | *Percentage points* | |
| Nonmetro/metro ratio | 72.8 | 78.0 | 74.9 | -5.1 | 3.1 |

[1] All years' incomes converted to 1989 dollars using the implicit price deflator for personal consumption expenditures.

Figure 31

**Real median family income, 1969-89**

**Real median family income increased substantially in all areas during the 1970's; during the 1980's, metro incomes increased, adjacent counties held their own, and real incomes in nonadjacent counties fell slightly**



# Nonmetro Poverty Rate Inches Back Up

*Most of the nonmetro poor still live in the South. Poverty rates for mining-dependent counties and counties adjacent to large metro areas increased markedly during the 1980's. Blacks continue to have the highest nonmetro poverty rate, 39.5 percent, over three times higher than for Whites.*

In 1989, 16.8 percent of nonmetro Americans were in poverty, an increase of 1.1 percentage points over 1979, but still far below 1969 levels (table 13). Most nonmetro counties with high poverty are located in the South (fig. 32). Much of the increase in poverty did not occur in traditional low-income areas. Persistent low-income counties, which had little population growth, also experienced no increase in the number of people in poverty or their poverty rate during the 1980's. However, the persistent low-income counties had the highest poverty rate in 1969 and continued in that position in 1979 and 1989 (app. tables 23 and 24). Poverty did increase sharply in mining-dependent counties as mining employment and earnings per job dropped off during the 1980's.

Total population grew almost as fast as the poverty population in retirement-destination counties so their 18.1-percent increase in poor people nudged up their poverty rate by only 0.3 percentage point, to 16.3 percent. Counties adjacent to large metro areas had 21.7 percent more people in poverty and a 1.3-percentage-point increase in their poverty rate (to 13.2 percent). Poverty increases in these faster growing areas can partly be explained by the draw of increased job opportunities in these areas, consequent population increases, and the time it takes to find suitable jobs.

The only region with a decline in nonmetro poverty during the 1980's was the Northeast, which experienced a 0.4-percentage-point decrease. Except for counties adjacent to large metro areas, the improvement was distributed fairly evenly across level of urban influence (app. table 24). The nonmetro West had the greatest increase in its poverty rate (2.5 percentage points).

### Poverty Rates Rise for Whites and Blacks, but Most for Hispanics

Table 13 reveals that minorities continue to be disproportionately poor and that poverty rates increased for both Blacks and Hispanics in nonmetro areas during the 1980's. The rate for nonmetro Hispanics increased nearly 5 percentage points to 32.2 percent in 1989. Despite this worsening situation for Hispanics, nonmetro Blacks still have the highest poverty rate, 39.5 percent.

### Nearly All Poor Nonmetro Blacks Live in the South

The poverty rate for nonmetro Blacks (39.5 percent) was far above the 1989 metro Black poverty rate of 27.5 percent (table 13). The Midwest was the only region to show increases in nonmetro Black poverty rates across all levels of urban influence from 1979 to 1989 (app. table 24). The Black poverty rate in the nonmetro Midwest increased 5.2 percentage points to 35.4 percent. However, the South continues to have the highest nonmetro Black poverty rate at 40.1 percent, and about 94.3 percent of poor nonmetro Blacks reside in the South. Although poor nonmetro Blacks are concentrated in the South, high poverty rates for Blacks in all of the area classifications used here indicate that the problem is national in scope.

### Poverty Among Nonmetro Hispanics Increased Most in the West

Hispanic poverty is also regionally concentrated—88 percent of nonmetro Hispanics and 91 percent of poor nonmetro Hispanics live in the South and West regions. In the 1980's, the nonmetro Hispanic poverty rate increased by 4.9 percentage points to nearly a third. The metro Hispanic rate (24.5 percent) was considerably lower and rose only 1.5 percentage points (table 13). The brunt of the nonmetro increase in poor Hispanics occurred in the West, which expanded its share of all poor nonmetro Hispanics to 42.7 percent (a 5.1-point increase from 1979). In the nonmetro West, the Hispanic poverty rate (28.5 percent) surpassed that for Blacks (26.8 percent) in 1989.

### Poverty Increased More Among Nonmetro Whites, But Stayed Well Below Black Poverty

The number of poor nonmetro Whites and their poverty rate increased during the 1980's (11 percent and 1 percentage point). Both of these changes were greater than for Blacks (table 13). The 1989 nonmetro White poverty rate was 13.8 percent, 5 percentage points above their metro poverty rate. In the Midwest, Whites made up 96.4 percent of the nonmetro population and 91.6 percent of the nonmetro poor, the highest proportions in any region by far. By level of urban influence, Whites make up 74.1 percent of the poverty population in more rural, remote counties, 66.8 percent in remote counties with cities, 71.2 percent in nonmetro counties adjacent to small metro areas, and 81 percent in counties adjacent to large metro areas.

Table 13

**Poverty rates for individuals, 1969-89**

Poverty increased most among nonmetro Hispanics during the 1980's, but nonmetro Blacks continued to have the highest poverty rate

| Item | 1989 | 1979 | 1969 | Change 1979-1989 | Change 1969-1979 |
|---|---|---|---|---|---|
| | *Percent poor* | | | *Percentage points* | |
| All persons: | | | | | |
| Nonmetro | 16.8 | 15.7 | 20.9 | 1.1 | -5.3 |
| Metro | 12.0 | 11.4 | 11.5 | .7 | -.1 |
| White: | | | | | |
| Nonmetro | 13.8 | 12.9 | NA | 1.0 | NA |
| Metro | 8.4 | 8.2 | NA | .2 | NA |
| Black: | | | | | |
| Nonmetro | 39.5 | 39.3 | 51.0 | .3 | -11.8 |
| Metro | 27.5 | 27.8 | 25.7 | -.3 | 2.2 |
| Hispanic:[1] | | | | | |
| Nonmetro | 32.2 | 27.4 | NA | 4.9 | NA |
| Metro | 24.5 | 23.0 | NA | 1.5 | NA |

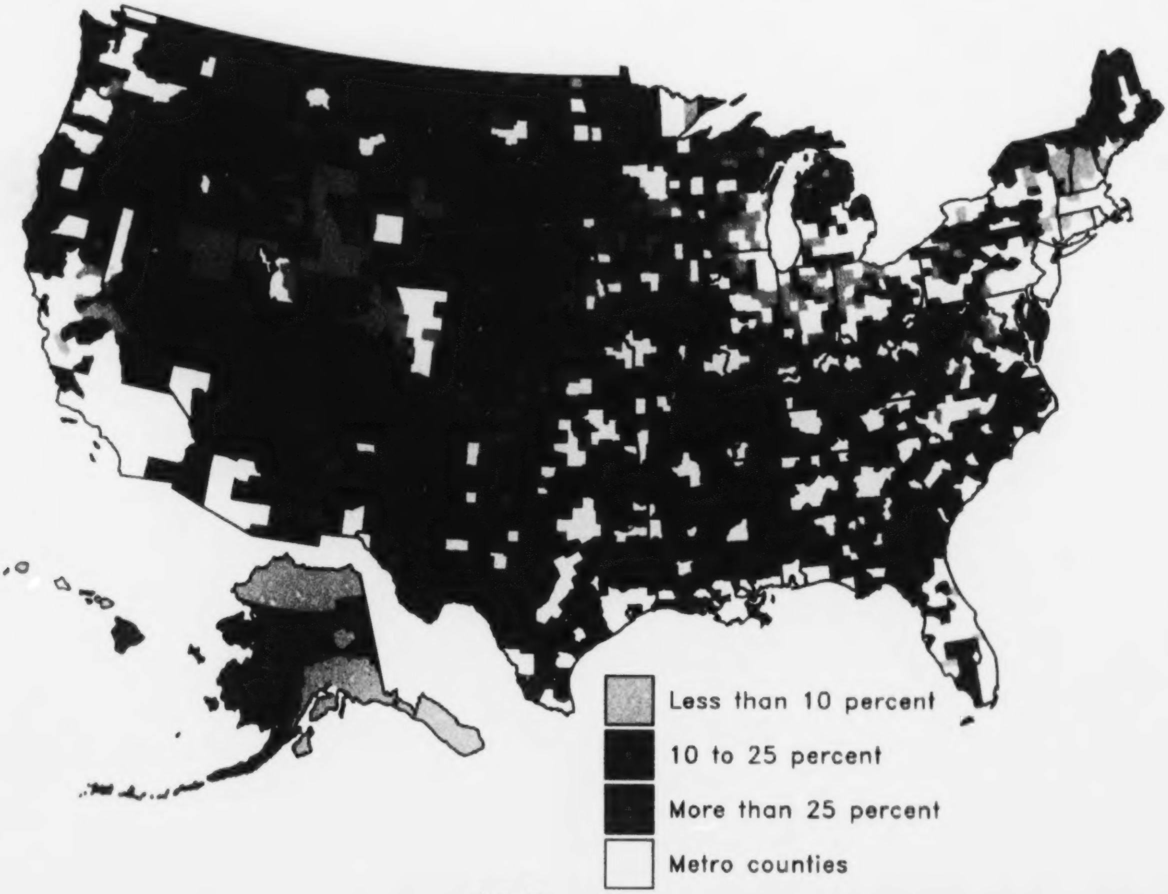
NA = Whites were combined with races other than Black on the data file from the 1970 Census of Population we used to produce this report, and Hispanics were identified in the 1970 Census of Population by a different method than the one used in more recent censuses.

[1] Hispanics may be of any race.

Figure 32

## Nonmetro counties by poverty rates, 1990

**High poverty counties are concentrated in Appalachia and in areas with high proportions of Blacks, Hispanics, or Native Americans**



# Families With Children and Headed by Women Fare Worst

*Poverty rates for nonmetro families with children increased during the 1980's. Of these families, those headed by women had the highest rate at 50.7 percent and were the household type whose rate increased most in nonmetro areas during the 1980's. The nonmetro poverty rates for unrelated individuals and for families with no children declined slightly.*

Household types with the highest nonmetro poverty rates in 1989 (table 14) continued to be unrelated individuals (32.4 percent) and families with children that are headed by women (50.7 percent). The poverty rate for unrelated individuals declined considerably during the 1970's and continued to decline marginally during the 1980's. The rate for families with children that are headed by women, however, rebounded to near-1969 levels after significant decline during the 1970's (their poverty rate was 51.2 percent in 1969, fell to 44.4 percent in 1979, and rebounded to 50.7 percent in 1989). The poverty rates for the two other main household types, families without children and other families with children (not headed by women), maintained comparatively low poverty rates (3.9 percent and 6.8 percent, respectively in 1989). The rate for other families with children inched up 0.4 percentage point during the 1980's. Poverty rates for all of these household types were higher in nonmetro areas, and the rates increase as the level of urban influence decreases (app. table 25).

### Poverty Rate Escalates for Nonmetro Families with Children and Headed by Women

The poverty rate for nonmetro families with children and headed by women edged up 6.3 percentage points to a rate of 50.7 percent in 1989 (table 14). The increase nearly erased the gains made by this household type during the 1970's (the rate was 51.2 in 1969 and fell to 44.4 in 1979). The metro poverty rate for families with children headed by women remained fairly stable over the two decades. Hence, the gap between the nonmetro and metro poverty rates for this household type narrowed between 1969 and 1979 and widened between 1979 and 1989. The nonmetro poverty rate was 10 percentage points higher than the metro rate in 1969, fell to only 5 percentage points higher in 1979, but rose again to 10.6 percentage points higher in 1989.

The poverty rate for this household type increased with decreasing levels of urban influence (fig. 33). Change during the 1980's showed a similar trend, with the poverty rates in remote counties increasing over 7 percentage points and rates in adjacent counties increasing about 5 percentage points. Families with children and headed by women experienced nearly a 3-percentage-point increase in their poverty rate in small metro areas and a slight decline in their poverty rate in large metro areas during the 1980's.

Over half (56.3 percent) of nonmetro families with children and headed by women were located in the South, where their poverty rate in 1989 was 54.5 percent, up 5.3 percentage points from 1979. Although this increase is sizeable, that for the nonmetro Midwest (10.0 percentage points), which contains 22.3 percent of these households, was the largest in any of the four Census regions.

By county type, nearly two-thirds (63.6 percent) of families with children headed by women in persistent low-income counties were poor in 1989. The incidence of poverty among this household type was also very high in mining-dependent counties (58.9 percent) and rose rapidly since 1979 (11.6 percentage points).

Table 14

**Poverty by household type, 1969-89**

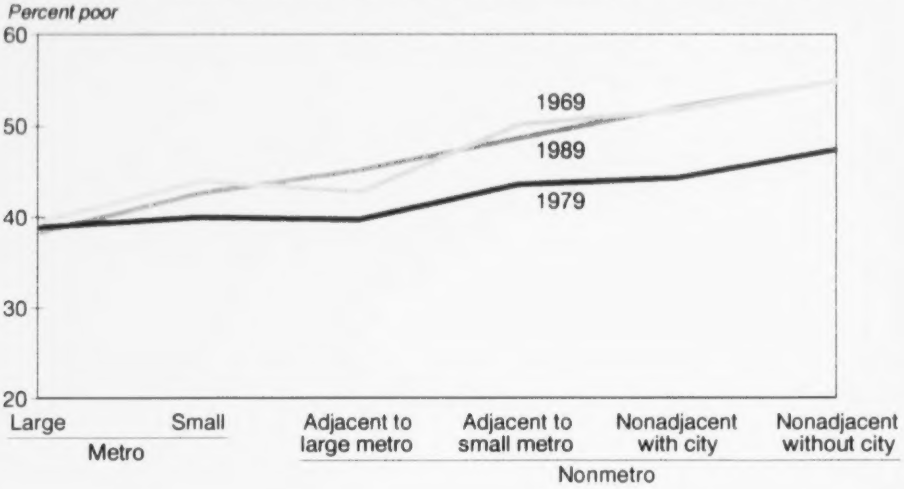
Half of nonmetro families with children headed by women were poor in 1989, returning to their 1969 level of poverty

| | | | | Change | | |
|---|---|---|---|---|---|---|
| Item | 1989 | 1979 | 1969 | 1979-89 | 1969-79 | 1969-89 |
| | *--------Percent poor--------* | | | *--------Percentage points--------* | | |
| Unrelated individuals: | | | | | | |
| Nonmetro | 32.4 | 33.3 | 51.0 | -.9 | -17.7 | -1.6 |
| Metro | 22.2 | 23.0 | 33.4 | -.8 | -10.4 | -11.2 |
| Families with no children: | | | | | | |
| Nonmetro | 7.4 | 8.9 | 16.3 | -1.5 | -7.4 | -8.9 |
| Metro | 3.9 | 4.7 | 6.9 | -.8 | -2.2 | -3.0 |
| Families with children and headed by women: | | | | | | |
| Nonmetro | 50.7 | 44.4 | 51.2 | 6.3 | -6.8 | -.5 |
| Metro | 40.1 | 39.4 | 41.2 | .7 | -1.8 | -1.1 |
| Other families with children: | | | | | | |
| Nonmetro | 11.5 | 10.9 | 13.6 | .6 | -2.7 | -2.1 |
| Metro | 6.8 | 6.4 | 5.7 | .4 | .7 | 1.1 |

Figure 33

## Poverty among families headed by women with children, 1969-89

**Poverty decreased for families headed by women with children under age 18 in all areas during the 1970's; during the 1980's, poverty rates climbed back to about their 1969 levels**



### Over One-Third of Nonmetro Americans in Poverty Are Children

The two household types whose 1989 poverty rates returned to levels close to their 1969 rates were those that had children. Therefore, it is not surprising that the poverty rate for nonmetro children also rebounded to 1969 levels (from 22.4 percent in 1969, down to 18.9 percent in 1979, and back up to 21.9 percent in 1989) [table 15]. The poverty rate for nonmetro working-age individuals also increased, but less markedly, from 12.8 percent in 1979 to 14.2 percent in 1989. After dramatic improvement during the 1970's (37.9 percent in 1969 to 21.1 percent in 1979), the poverty rate for the nonmetro elderly continued to decline during the 1980's, but much more slowly, reaching 17.7 percent in 1989.

Poverty among nonmetro children increased as the level of urban influence decreased (app. table 26). In nonmetro counties adjacent to large metro areas, 17.5 percent of children were poor in 1989. The incidence of poverty among children increased to 20.8 percent in counties adjacent to small metro areas, 22.4 percent in nonadjacent counties with cities, and 25.1 percent in more rural, remote counties.

Among regions, the nonmetro South had the highest child poverty rate, 27 percent. Poverty increased rapidly among nonmetro children in the West during the 1980's, rising from 16.3 percent in 1979 to 21.3 percent in 1989. Poverty among children in the nonmetro Midwest also increased, from 13.7 to 17.2 percent. Increasing numbers of poor families headed by women contributed to increases in the number of poor children in nonmetro areas in all regions, at all levels of urban influence, and in all county types (app. table 26).

Table 15

**Poverty by age and family status, 1969-89**

Nonmetro children are now at higher risk of poverty than the nonmetro elderly

| | | | | Change | | |
|---|---|---|---|---|---|---|
| Item | 1989 | 1979 | 1969 | 1979-89 | 1969-79 | 1969-89 |
| Children under 18: | *Percent poor* | | | *Percentage points* | | |
| Nonmetro | 21.9 | 18.9 | 22.4 | 3.0 | -3.5 | -0.5 |
| Metro | 17.1 | 15.0 | 12.8 | 2.1 | 2.2 | 4.3 |
| Living in families headed by women: | | | | | | |
| Nonmetro | 57.9 | NA | 60.2 | NA | NA | -2.3 |
| Metro | 47.8 | NA | 50.8 | NA | NA | -3.0 |
| Adults 18 to 64: | | | | | | |
| Nonmetro | 14.2 | 12.8 | 16.2 | 1.4 | -3.4 | -2.0 |
| Metro | 10.2 | 9.5 | 8.7 | .7 | .8 | 1.5 |
| Adults 65 and older: | | | | | | |
| Nonmetro | 17.7 | 21.1 | 37.9 | -3.4 | -16.8 | -20.2 |
| Metro | 11.0 | 12.4 | 23.2 | -1.4 | -10.8 | -12.2 |

NA = Family status of poor children is not available on the computer files from the 1980 Census of Population used to produce this report.

# Nonmetro Housing Growth Slows; Vacancy Rate Still Double Metro Rate

*As nonmetro population growth slowed during the 1980's, so did the increase of nonmetro housing units. Housing units held for other than year-round use are much more prevalent in nonmetro areas, keeping the nonmetro vacancy rate at twice the metro rate.*

Nearly 25 million housing units were in nonmetro areas in 1990, up from 22 million in 1980 and nearly 17 million in 1970. The number of housing units increased faster in metro than in nonmetro areas during the 1980's, 16.8 percent versus 12.2 percent (fig. 34). During the 1970's, growth in the nonmetro housing stock (31.6 percent) had exceeded metro growth (27.8 percent). These trends mirror population trends: the nonmetro population grew faster than the metro population during the 1970's, and that trend reversed during the 1980's.

Not all housing units are occupied. Units are vacant because they are waiting to be rented or sold; they are held for seasonal, recreational, migratory, or occasional use; or they are owned by people who have no current use for them (including newly built homes that are not quite ready for habitation). In 1990, 16 percent of the nonmetro housing stock was vacant, compared with 8 percent of metro housing. Both vacancy rates have increased about a percentage point per decade since 1970 (app. table 27).

Nonmetro areas have double the rate of vacancies of metro areas in part because many Americans own vacation property in rural areas and a disproportionate share of the seasonal and migratory housing held for vacationers and farmworkers is located in rural areas. More than 77 percent of nonmetro vacancies are held for seasonal or occasional use compared with 47 percent of metro vacancies (fig. 35). Metro vacancies are much more likely to be rental units than nonmetro vacancies (39 versus 15 percent).

By level of urban influence, the more rural, remote nonmetro counties had the highest vacancy rates in 1990 (fig. 36). The more rural, remote counties in the South have a much lower vacancy rate than comparable counties in the other regions, 17 percent versus 22 to 29 percent in the other regions (app. table 27). Almost a third of the southern remote counties are persistent low-income counties, suggesting that vacation property may be beyond the means of many residents or that those counties may not be attractive places for nonresidents to build or maintain vacation/recreational homes.

Retirement counties have a higher than average vacancy rate, while all the other types of counties have rates at or below the 16-percent vacancy rate for all nonmetro counties (fig. 36). Many of the counties that attracted retirees during the 1970's are also recreational areas. Therefore, those counties have high vacancy rates due to the seasonality of the recreation trade.

Figure 34

**Housing unit growth, 1970-90**

**Nonmetro areas added housing units at a faster pace than metro areas during the 1970's, but lagged metro growth during the 1980's**

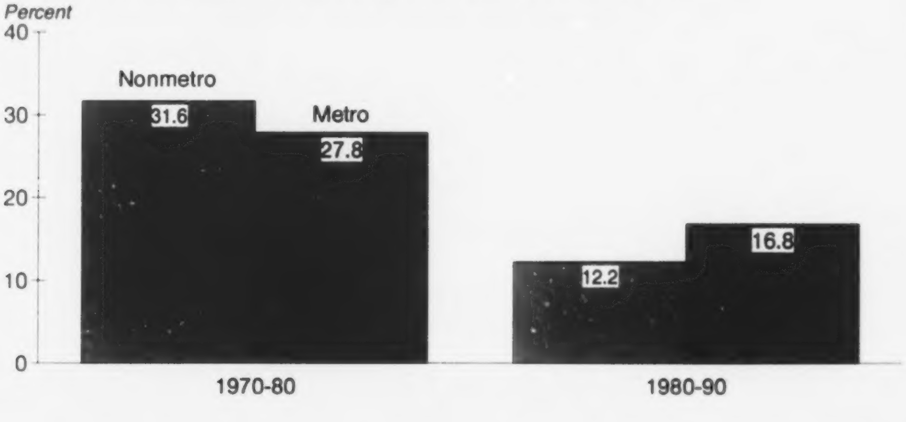
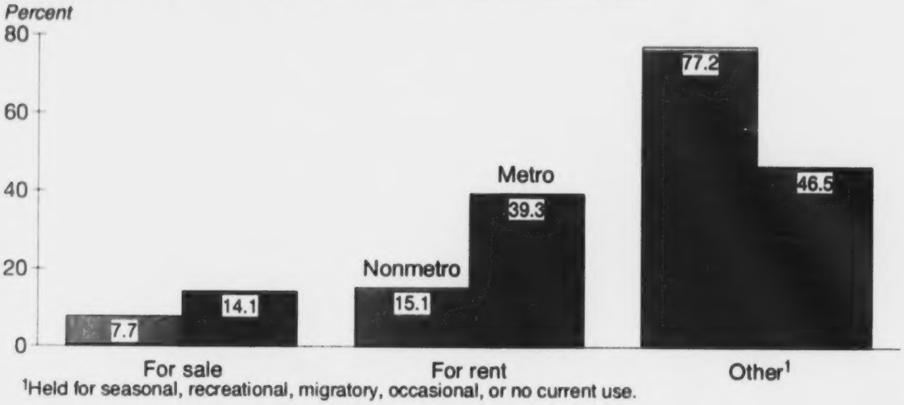


Figure 35

### Distribution of vacancies by reason, 1990

**Nonmetro vacancies are mostly units held for seasonal, recreational, or occasional use while metro vacancies are more often held for sale or rent**

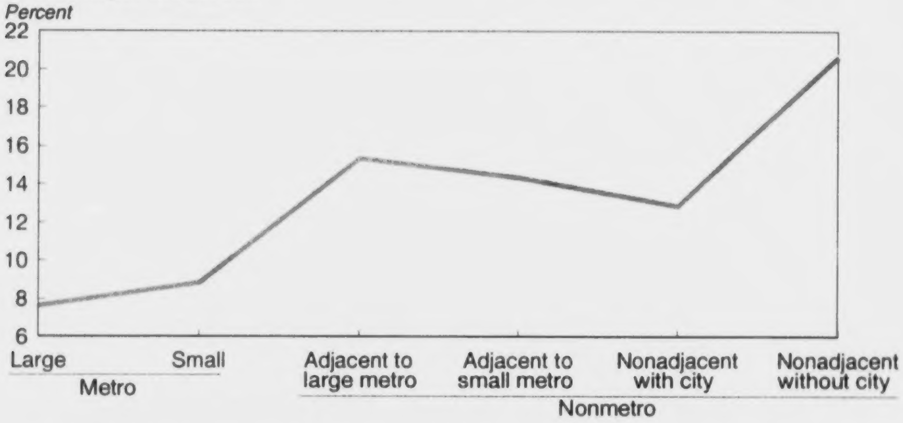


[1]Held for seasonal, recreational, migratory, occasional, or no current use.

Figure 36

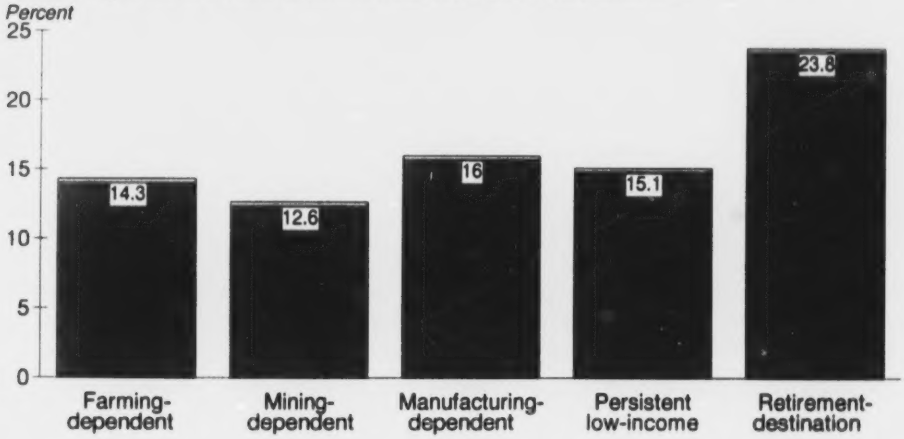
### Vacancy rates by degree of urban influence...

**The more remote nonmetro counties without cities have the highest vacancy rate at least in part because...**



### ...and type of nonmetro county, 1990

**...many of them are also retirement-destination counties where a large percentage of housing units are vacant, held for seasonal or recreational use**



# Nonmetro Access to Complete Plumbing Increases

*By 1990, only 1.7 percent of nonmetro housing did not have access to complete plumbing. The greatest improvement since 1970 has been in persistent low-income counties, but they remain the group of nonmetro counties with the highest percentage of households without access, 4.6 percent.*

Using access to complete plumbing as the standard, significant progress was apparently made during the 1980's in upgrading the quality of nonmetro housing. The plumbing may be shared with another household, but it includes hot and cold piped water, a flush toilet, and a bathtub or shower. In 1970, 14.1 percent of occupied nonmetro housing units did not have access to complete plumbing (fig. 37). By 1980, that percentage had dropped to 3.8 percent, and by 1990, that percentage had declined further to 1.7 percent. Metro housing units have always been much more likely to have access to complete plumbing. Only 4.2 percent of metro housing lacked access in 1970, dropping to less than 1 percent in 1980, and remaining below 1 percent in 1990.

The persistent low-income counties had the lowest access to complete plumbing of any nonmetro county type during 1970-90. However, access improved greatly over the two decades. In 1970, 36.6 percent of occupied housing units in persistent low-income counties did not have access to complete plumbing (fig. 38). That percentage dropped to 11.5 percent by 1980, and to 4.6 percent by 1990.

The more rural remote nonmetro counties in the South and West also had over 3 percent of housing units without complete plumbing in 1990 (app. table 28). Figure 39 shows nonmetro counties with particularly high percentages of occupied housing lacking access to complete plumbing. The western counties probably have higher rates of incomplete plumbing because of the long distances many housing units are from municipal water and sewer systems. In Alaska, long distances combined with permafrost (permanently frozen subsoil) in many areas restrict the availability of water and sewer systems. Many of the southern counties with high percentages lacking access to complete plumbing are persistent low-income counties and neighboring counties with relatively low incomes.

Figure 37

### Occupied housing lacking access to complete plumbing, 1970-90

**Much progress has been made in reducing the incidence of housing without complete plumbing**

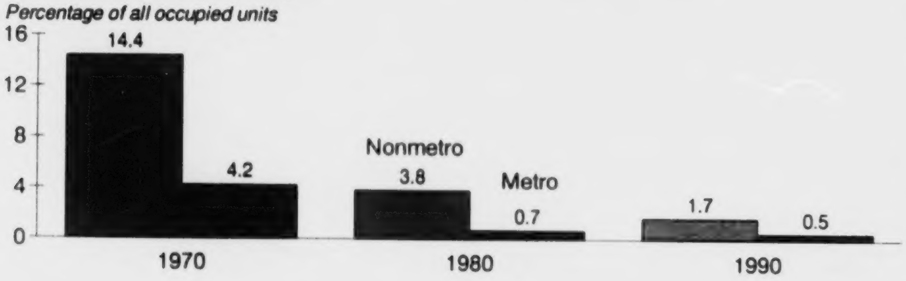


Figure 38

### Occupied housing lacking complete plumbing by county type, 1970-90

**Persistent low-income counties have made impressive progress, but remain the county type with the highest proportion of housing without complete plumbing**

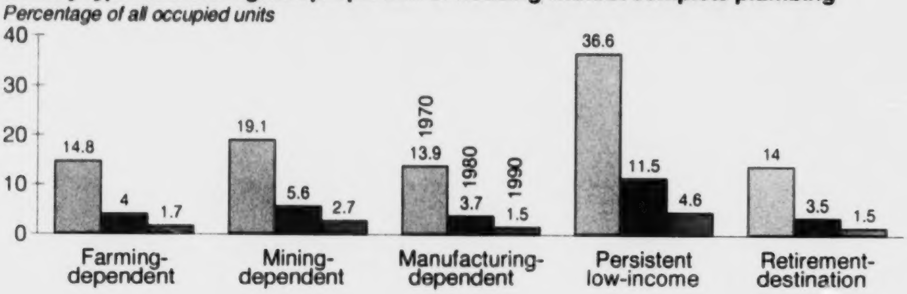
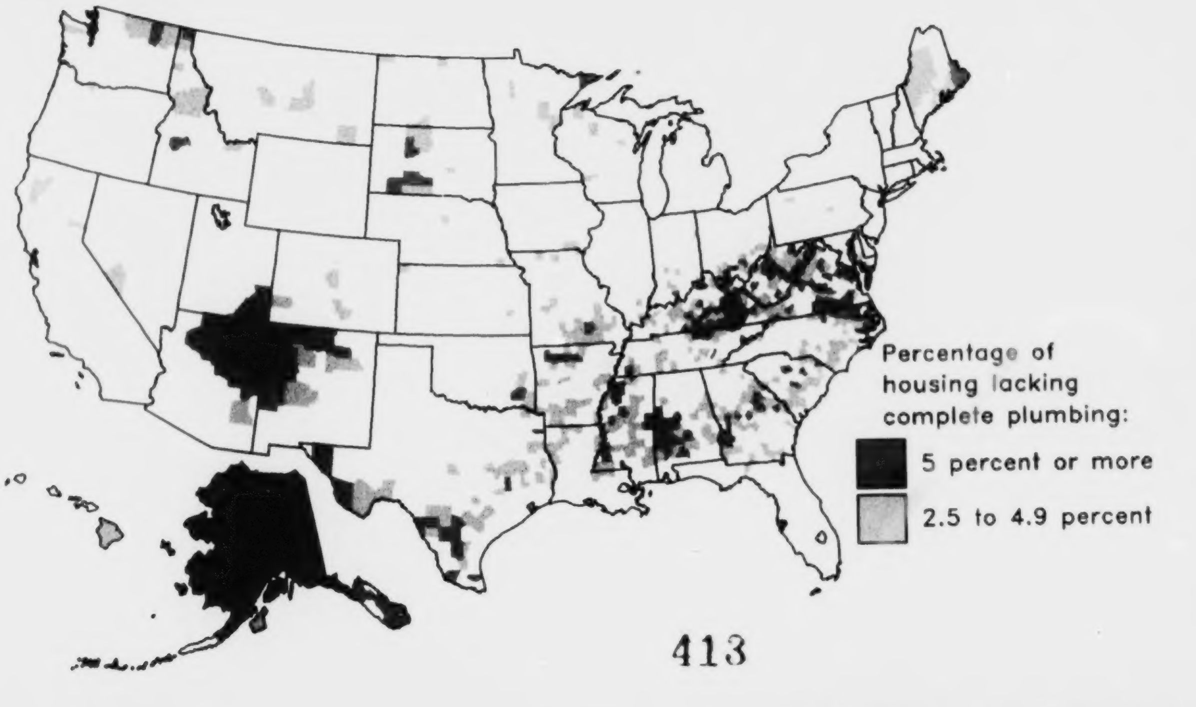


Figure 39

### Nonmetro counties with high percentages lacking complete plumbing, 1990

**Lack of access to complete plumbing is still a problem for many nonmetro households in the South, Arizona, New Mexico, and Alaska**


Percentage of housing lacking complete plumbing:
5 percent or more
2.5 to 4.9 percent

# Nonmetro Owner Occupancy Still Much Higher than Metro

*Owners lived in 72 percent of nonmetro occupied housing units in 1990, still about 10 percentage points higher than the metro rate of homeownership. Because renters are concentrated in cities, remote nonmetro counties containing cities have a lower owner occupancy rate than counties adjacent to metro areas and more rural, remote counties.*

Owners occupy a higher percentage of the occupied housing stock (housing units occupied by owners or renters) in nonmetro than metro areas. In 1990, 72 percent of nonmetro housing was owner occupied compared with 62 percent of metro housing. This difference of about 10 percentage points has been consistent over the last two decades (fig. 40). The rate of owner occupancy fell only slightly in nonmetro areas, from 73.2 percent in 1980 to 72.3 percent in 1990. Meanwhile, owner occupancy in metro areas remained at nearly 62 percent.

Nonadjacent counties with cities had the lowest rate of nonmetro homeownership (fig. 41). These counties contain a higher percentage of multiple-unit housing structures usually occupied by renters (for example, duplexes and apartment buildings) than counties in the other nonmetro urban influence categories. Rental units are concentrated in cities. The adjacent counties may have low proportions of renters because renters choose to live in the metro cities, and the more rural, remote counties may have low proportions of renters because they don't contain cities large enough to generate much demand for rental housing. This pattern is consistent across levels of urban influence in all regions (app. table 29).

Persistent low-income counties had an owner occupancy rate of 76.8 percent in 1990, the highest rate of homeownership of any area (fig. 41). As noted earlier, many of the persistent low-income counties are also remote nonmetro counties without cities to attract renters. Another part of the reason for their high ownership rate is the high percentage of mobile home ownership, much less expensive housing than single-family homes (see the following article on mobile homes).

Figure 40

### Owner-occupied housing, 1970-90

**Owners occupy 10 percent more of nonmetro than metro housing, a sustained difference over the past two decades**

*Percentage of all occupied units*

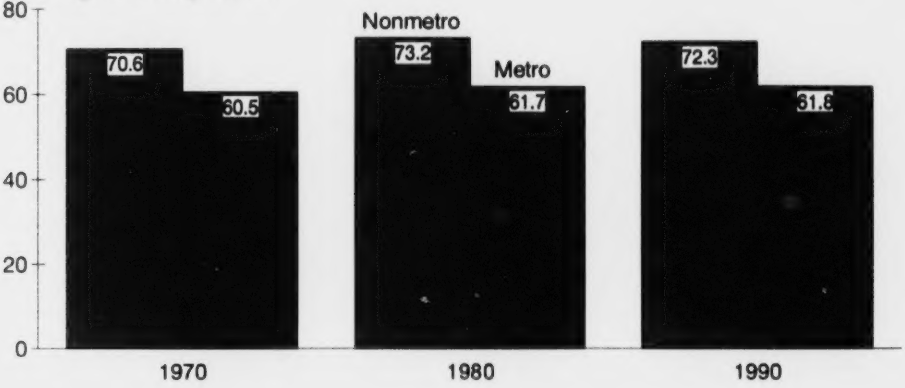
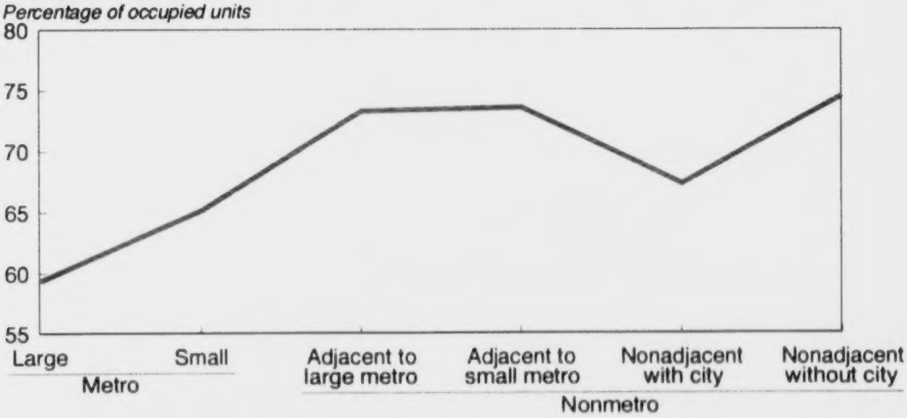


Figure 41

### Owner-occupancy rate by degree of urban influence...

**Nonadjacent counties with cities have the lowest level of owner occupancy among nonmetro counties**

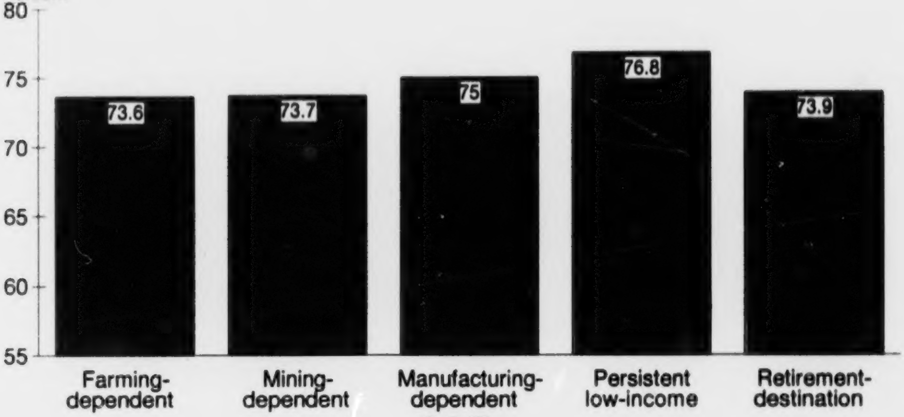
*Percentage of occupied units*



### ...and type of nonmetro county, 1990

**Owner occupancy is higher in persistent low-income counties than in any other type of county**

*Percent*



# Mobile Homes Have Been the Largest Source of Growth in Nonmetro Homeownership for Two Decades

*Mobile homes accounted for 15.9 percent of nonmetro owner-occupied housing in 1990, up from 10.4 percent in 1980 and 6.9 percent in 1970. Nonmetro areas in the South and West and persistent low-income counties have the highest proportions of homeowners living in mobile homes. Just as more nonmetro owners chose mobile homes, a small, but increasing, number of metro owners chose condominiums.*

Mobile homes were the fastest growing type of owner-occupied housing in nonmetro areas during the 1980's, their numbers increasing by nearly 66 percent. Although nonmetro mobile-home ownership increased at a faster rate during the 1970's (104 percent), all housing grew faster during that decade (app. table 30). Slower growth in other types of housing during the 1980's allowed mobile homes to increase their share of nonmetro housing from 10.4 in 1980 to 15.9 percent in 1990 (fig. 42). Growth in the number of metro mobile homes was faster than nonmetro growth, but metro areas started the decade with only 4.4 percent of owners in mobile homes and ended it with 6.5 percent, less than half the nonmetro percentage.

By level of urban influence, mobile homes make up the highest proportion of owner-occupied housing in the more rural, remote counties (fig. 43). The percentage declines as the level of urban influence increases except for the remote counties with cities. Mobile homes are less prevalent in those counties than in the nonmetro counties adjacent to large and small metro areas. With the higher incidence of multiunit housing and renters in remote counties with cities, the demand for mobile homes may be lower there than in the adjacent counties.

The high level of homeownership in persistent low-income counties is related to the large percentage of mobile-home owners in those counties. More than one in five (22.1 percent) homeowners in persistent low-income counties lives in a mobile home, the highest proportion among the industrial and socioeconomic types (app. table 30). Mining-dependent counties are not far behind with about 21 percent of owners in mobile homes.

Figure 44 shows nonmetro counties where mobile homes are high percentages of owner-occupied housing. At least one of every four owner-occupied units is a mobile home in the highest category counties. Those counties are concentrated in eastern Kentucky; the southeastern States of Alabama, Florida, Georgia, and Mississippi; the mountain States of New Mexico, Arizona, and Nevada; and in the upper northwestern States of Idaho, Montana, and Oregon.

The number of owner-occupied condominiums also increased rapidly during the 1980's, but from a much smaller base. Nationally, mobile homes increased from about 4 to 7 million units over the decade, while owner-occupied condos increased from about 1 to 2.5 million units (app. table 31). Condominiums are only found in large numbers in major metro areas. They may have been to metro residents what mobile homes were to nonmetro residents during the 1980's—more affordable housing at a time when conventional housing costs were rising rapidly.

**Low Sales Price of Mobile Homes Made Them an Attractive Housing Choice**

The median sales price of new single-family homes went from $35,900 in 1974 to $122,900 in 1990. The average price of a new mobile home rose from $9,300 in 1974 (earliest data available) to $27,800 in 1990. Converting these prices to 1990 dollars shows that, in real terms, new single-family home prices increased 13.9 percent during 1974-80 and 22.3 percent during 1983-90. The real price of new mobile homes increased 34.8 percent during 1974-80, but fell 0.8 percent during 1983-90. The much lower cost of a mobile home made it a competitive choice during the 1970's even though the price of mobile homes was increasing faster than that of single-family homes. Mobile homes became even lower priced compared with new single-family homes during the 1980's making them an even more attractive option.

The average price of condominiums was $64,000 in 1984 (earliest available year), and $83,600 in 1990. Converting the 1984 price to 1990 dollars shows that, in real terms, condominium prices fell 2.1 percent during 1984-90. The lower cost of condominiums (although not as low as the price of a mobile home) compared to single-family homes and the fact that the condominium price did not keep up with inflation during the 1980's made them an attractive housing option, especially for young, first-time homeowners in major metro areas.

Average sales prices of single-family homes, mobile homes, and condominiums, 1970-90

| Item | Current prices | | | | Real prices | | | | Change in real prices | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1974 | 1980 | 1983 | 1990 | 1974 | 1980 | 1983 | 1990 | 1974-80 | 1983-90 |
| | *Current dollars* | | | | *1990 dollars* | | | | *Percent* | |
| New single-family homes | 35,900 | 64,600 | 75,300 | 122,900 | 91,338 | 104,048 | 100,458 | 122,900 | 13.9 | 22.3 |
| Existing single-family homes | 32,000 | 62,200 | 70,300 | 95,500 | 81,416 | 100,182 | 93,788 | 95,500 | 23.0 | 1.8 |
| New mobile homes | 9,300 | 19,800 | 21,000 | 27,800 | 23,662 | 31,891 | 28,016 | 27,800 | 34.8 | -.8 |
| Condominiums | NA | NA | 64,000 | 83,600 | NA | NA | 85,383 | 83,600 | NA | -2.1 |

Sources: Single-family home and mobile home prices from the *Statistical Abstract of the United States 1992*, p. 712. Condominium prices from the National Association of Realtors. Current dollars converted to 1990 dollars using the implicit price deflator for personal consumption expenditures.

Figure 42

### Mobile home ownership, 1970-90

**Mobile home ownership increased rapidly in both nonmetro and metro areas during the last two decades, but mobile homes are much more prevalent in nonmetro areas**

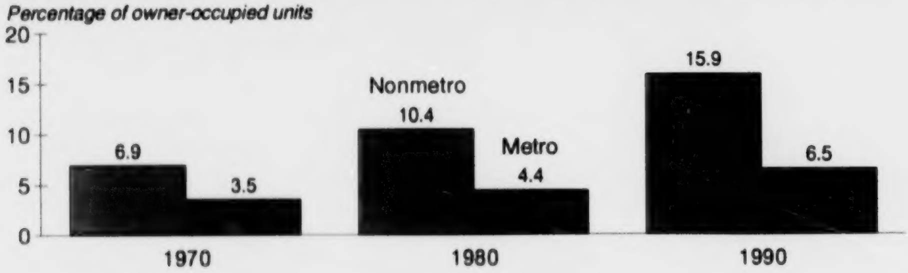


Figure 43

### Mobile-home ownership by degree of urban influence...

**Part of the reason for increased homeownership with increasing rurality appears to be the rising mobile-home ownership rate with increasing rurality**

### ...and type of nonmetro county, 1990

**The persistent low-income counties' high rate of homeownership is related to their high proportion of mobile-home owners**

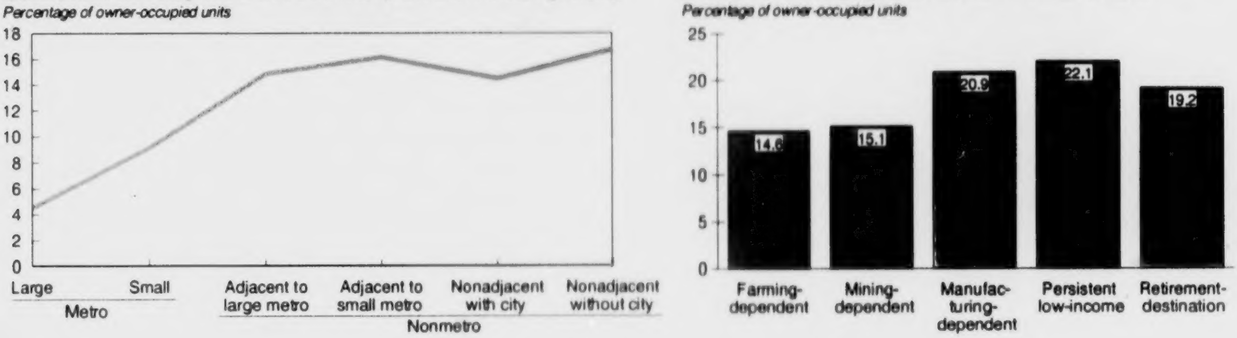
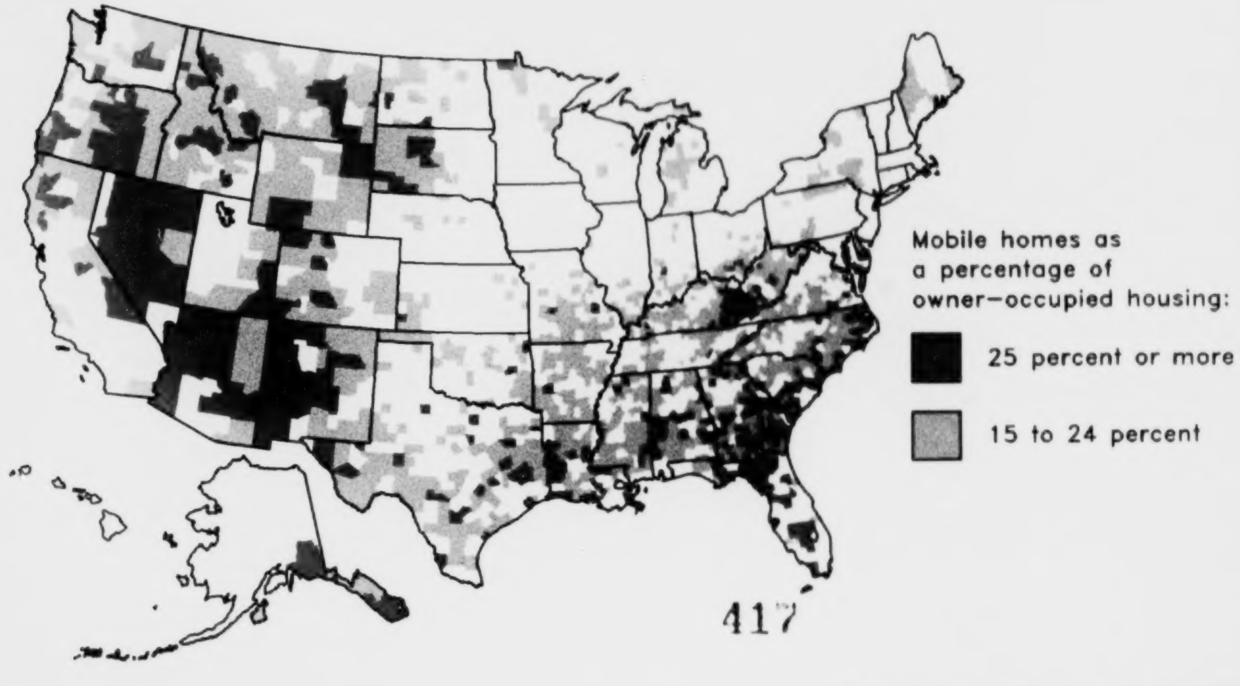


Figure 44

### Nonmetro counties with high percentages of owner-occupied mobile homes, 1990

**Mobile homes are concentrated in the South and West where milder weather may make them a more attractive housing choice**



# Appendix: Definitions

**Civilian labor force:** Noninstitutional civilians age 16 or older who are either employed or unemployed. Individuals who are neither employed nor unemployed are out of the labor force.

**Condominium:** Type of ownership that enables a person to own an apartment or house in a development of similarly owned units and to hold a common or joint ownership in some or all of the common areas and facilities such as land, roof, hallways, entrances, elevators, or swimming pools. Condominiums may be single-family houses or units in apartment buildings. A unit classified as "mobile home or trailer" cannot be a condominium. Percent change in the number of condominiums between decades is not calculated in this report because the questions asked to determine condominium ownership were part of the basic census questionnaire in 1980 asked of every household, while those questions were only asked of a sample of households in 1990. The change to sample responses may partially explain why the 1990 Census reports fewer condo owners in the most rural nonmetro counties of the Midwest and South and in mining-dependent and persistent low-income counties than the 1980 Census did.

**Family:** Two or more people residing together who are related by birth, marriage, or adoption.

**Household:** A household is made up of one or more persons who live and eat separately from any other person in quarters that have direct access from outside or through a common hall. Households may be a single family, a person living alone, two or more families living together, any group of related persons, or any group of fewer than 10 unrelated persons.

**Implicit Personal Consumption Expenditures Deflator (PCE):** An annual index measuring the average price level of a standard basket of consumer goods and services at the retail level. The PCE is used in this report to convert income in 1969 and 1979 (current dollars) to the amount that income would purchase in 1989 dollars (constant or real dollars).

**Income:** The sum of the amounts of money received from wages and salaries; nonfarm self-employment income; farm self-employment income; Social Security or railroad retirement; Supplemental Security Income; public assistance or welfare payments; dividends, interest, or net rental income; veterans payments; unemployment or workers' compensation; private or government employee pensions; alimony or child support; and other periodic payments.

**Industry:** Industry of the job an employed respondent spent the most time at during the week before the census. The industrial categories used in this report are:
*Agriculture-related*—agricultural production, veterinary services, landscape and horticultural services, agricultural services, forestry, fishing, hunting, and trapping
*Mining*—metal, coal, and nonmetallic mining, oil and gas extraction, and nonmetallic quarrying
*Construction*—construction
*Manufacturing—Durable* (Lumber and wood products, furniture and fixtures, stone, clay, glass, and concrete products, metal industries, machinery and computing equipment, electrical machinery, equipment, and supplies, transportation equipment, professional and photographic equipment, watches, toys, amusement, and sporting goods, and miscellaneous) and
*Nondurable* (food and kindred products, tobacco products, textile mill products, apparel and other finished textile products, paper and allied products, printing, publishing, and allied industries, chemical and allied products, petroleum and coal products, rubber and miscellaneous plastic products, and leather and leather products)
*Services—Distributive* (transportation, communications, other public utilities, and wholesale trade)
*Business* (finance, insurance, real estate, business and repair, and other professional services)
*Consumer* (health, personal, entertainment, and recreation services)
*Retail trade*
*Public* (education services and public administration)

**Labor force participation rate:** The civilian labor force as a percentage of the civilian noninstitutional population age 16 and older.

**Net migration:** Net migration is the number of inmigrants to an area minus the outmigrants. Net migration estimates reported here for 1970-80 were obtained from machine-readable files prepared by Michael White, Peter Mueser, and Joseph Tierney. The 1980-90 estimates were prepared by Glenn Fuguitt, professor of rural sociology at the University of Wisconsin-Madison. In both cases, 5-year age-specific net migration estimates for counties were calculated using a two-step process. First, an estimate of natural increase for each county was calculated using age-specific national survival rates applied to a county's population; net migration was obtained by subtracting this measure of natural increase from actual population change. Second, in order to allow for small-area variation in survival rates, a total net migration estimate for each county was derived based on county birth and death records. The age-specific net migration estimates derived in step one were adjusted to add up to this second net migration estimate.

**Nonfamily household:** A household consisting of a person living alone or of a householder living with individuals unrelated to her/him.

**Occupation:** Occupations are those reported as the respondent's chief job activity during the week previous to one in which they answered the census. Persons having more than one job were asked to report on the job at which they worked the most hours. The following occupational categories are used in this report:

*Professional*—executive, administrative, managerial, and professional
*Technical*—technical and related support
*Sales*
*Administrative support*—administrative support, including clerical
*Service*—private household, protective, food preparation, health, cleaning, and personal service
*Farming*—farming, forestry, and fishing
*Precision*—precision production, craft, and repair; machine operators, assemblers, and inspectors; and transportation and material moving
*Laborer*—handler, equipment cleaner, helper, and laborer

**Poverty:** A person is in poverty if his or her family's money income is below the official poverty threshold for that size and type of family. Different thresholds exist for elderly and nonelderly unrelated individuals, for two-person families with and without elderly heads, and for different family sizes by number of children. For example, the poverty threshold for a family of four with two children was $12,575 in 1989. The thresholds are adjusted for inflation annually using the Consumer Price Index.

**Region:** The States in each region are as follows:
*Northeast*—Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont.
*Midwest*—Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.
*South*—Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia.
*West*—Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.

**Unemployment rate:** The number of unemployed people 16 years and older as a percentage of the civilian labor force 16 years and older.

**Unrelated individual:** A person who does not live with relatives. An unrelated individual may live alone, with nonrelatives, or in group quarters with no relatives. Lodgers and resident employees with no relatives in the household are also unrelated individuals. Inmates of institutions are classified separately; they are not counted as unrelated individuals.

# Appendix Tables

## Appendix table 1—Counties and 1990 population by urbanization, county type, and region

| Area | United States |  | Northeast |  | Midwest |  | South |  | West |  |
|---|---|---|---|---|---|---|---|---|---|---|
|  | Counties | Share of population | Counties | Share of population | Counties | Share of population | Counties | Share of population | Counties | Share of population |
|  | *Number* | *Percent* | *Number* | *Percent* | *Number* | *Percent* | *Number* | *Percent* | *Number* | *Percent* |
| All counties | 3,141 | 100.0 | 217 | 100.0 | 1,055 | 100.0 | 1,425 | 100.0 | 444 | 100.0 |
| Metro | 735 | 77.2 | 117 | 88.6 | 195 | 71.4 | 347 | 70.5 | 76 | 83.7 |
| Large | 238 | 45.6 | 44 | 58.2 | 78 | 44.7 | 86 | 30.4 | 30 | 58.9 |
| Small | 497 | 31.6 | 73 | 30.5 | 117 | 26.6 | 261 | 4.1 | 46 | 24.8 |
| Nonmetro | 2,406 | 22.8 | 100 | 11.4 | 860 | 28.6 | 1,078 | 29.5 | 368 | 16.3 |
| Adjacent to large metro | 167 | 2.6 | 12 | 2.2 | 71 | 4.4 | 66 | 2.3 | 18 | 1.5 |
| Adjacent to small metro | 762 | 8.9 | 53 | 6.1 | 224 | 1.1 | 418 | 12.5 | 67 | 4.4 |
| Nonadjacent with city | 299 | 5.3 | 10 | 1.5 | 100 | 6.2 | 132 | 6.8 | 57 | 5.8 |
| Nonadjacent without city | 1,178 | 6.0 | 25 | 1.6 | 465 | 8.0 | 462 | 8.0 | 226 | 4.6 |
| Farming-dependent | 696 | 3.1 | 0 | 0 | 370 | 6.2 | 235 | 3.4 | 91 | 2.3 |
| Adjacent to large metro | 26 | .2 | 0 | 0 | 17 | .4 | 6 | .1 | 3 | .1 |
| Adjacent to small metro | 182 | 1.3 | 0 | 0 | 82 | 2.2 | 86 | 1.7 | 14 | .9 |
| Nonadjacent with city | 16 | .2 | 0 | 0 | 9 | .3 | 3 | .1 | 4 | .4 |
| Nonadjacent without city | 472 | 1.5 | 0 | 0 | 262 | 3.2 | 140 | 1.6 | 70 | .8 |
| Mining-dependent | 204 | 1.5 | 3 | .3 | 33 | 1.0 | 115 | 2.5 | 53 | 1.7 |
| Adjacent to large metro | 9 | .2 | 2 | .3 | 3 | .2 | 2 | .1 | 2 | .2 |
| Adjacent to small metro | 56 | .4 | 0 | 0 | 8 | .2 | 41 | .7 | 7 | .2 |
| Nonadjacent with city | 20 | .3 | 0 | 0 | 3 | .2 | 9 | .4 | 8 | .6 |
| Nonadjacent without city | 119 | .7 | 1 | .1 | 19 | .4 | 63 | 1.2 | 36 | .7 |
| Manufacturing-dependent | 662 | 8.8 | 53 | 6.2 | 187 | 11.4 | 382 | 12.7 | 40 | 2.2 |
| Adjacent to large metro | 64 | 1.3 | 6 | 1.3 | 35 | 3.0 | 21 | .7 | 2 | .2 |
| Adjacent to small metro | 275 | 4.1 | 30 | 3.6 | 74 | 5.0 | 161 | 6.0 | 10 | .7 |
| Nonadjacent with city | 100 | 1.7 | 4 | .5 | 30 | 2.0 | 58 | 2.8 | 8 | .9 |
| Nonadjacent without city | 223 | 1.7 | 13 | .9 | 48 | 1.5 | 142 | 3.1 | 20 | .5 |
| Persistent low-income | 239 | 1.5 | 0 | 0 | 15 | .2 | 220 | 4.0 | 4 | .1 |
| Adjacent to large metro | 2 | .0 | 0 | 0 | 0 | 0 | 2 | .0 | 0 | 0 |
| Adjacent to small metro | 78 | .6 | 0 | 0 | 1 | .0 | 77 | 1.6 | 0 | 0 |
| Nonadjacent with city | 3 | .0 | 0 | 0 | 0 | 0 | 3 | .1 | 0 | 0 |
| Nonadjacent without city | 156 | .8 | 0 | 0 | 14 | .2 | 138 | 2.3 | 4 | .1 |
| Retirement-destination | 484 | 5.4 | 17 | 1.7 | 107 | 3.5 | 280 | 8.5 | 80 | 5.8 |
| Adjacent to large metro | 58 | .9 | 3 | .6 | 14 | .5 | 31 | 1.2 | 10 | 1.1 |
| Adjacent to small metro | 161 | 2.0 | 8 | .9 | 18 | .7 | 109 | 3.6 | 26 | 2.2 |
| Nonadjacent with city | 47 | 1.0 | 0 | 0 | 7 | .5 | 30 | 1.7 | 10 | 1.3 |
| Nonadjacent without city | 218 | 1.5 | 6 | .3 | 68 | 1.8 | 110 | 2.0 | 34 | 1.2 |

Note: .0 equals less than 0.1 percent.

## Appendix table 2—Population, 1960-90

| Area | Population | | | | Population change | | |
|---|---|---|---|---|---|---|---|
| | 1990 | 1980 | 1970 | 1960 | 1980-90 | 1970-80 | 1960-70 |
| | *Thousand* | | | | *Percent* | | |
| United States | 248,710 | 226,546 | 203,213 | 179,323 | 9.8 | 11.5 | 13.3 |
| Metro | 192,023 | 172,117 | 155,646 | 132,905 | 11.6 | 10.6 | 17.1 |
| Large | 113,376 | 101,360 | 94,108 | 79,536 | 11.9 | 7.7 | 18.3 |
| Small | 78,647 | 70,758 | 61,538 | 53,370 | 11.1 | 15.0 | 15.3 |
| Nonmetro | 56,687 | 54,428 | 47,567 | 46,418 | 4.1 | 14.4 | 2.5 |
| Adjacent to large metro | 6,475 | 5,862 | 4,992 | 4,579 | 10.5 | 17.4 | 9.0 |
| Adjacent to small metro | 22,115 | 20,927 | 18,198 | 17,472 | 5.7 | 15.0 | 4.2 |
| Nonadjacent with city | 13,303 | 12,746 | 11,102 | 10,618 | 4.4 | 14.8 | 4.6 |
| Nonadjacent without city | 14,794 | 14,893 | 13,276 | 13,748 | -.7 | 12.2 | -3.4 |
| Northeast | 50,809 | 49,135 | 49,044 | 44,678 | 3.4 | .2 | 9.8 |
| Metro | 45,038 | 43,632 | 44,033 | 39,921 | 3.2 | -.9 | 10.3 |
| Large | 29,561 | 28,995 | 30,056 | 27,360 | 2.0 | -3.5 | 9.9 |
| Small | 15,477 | 14,637 | 13,977 | 12,561 | 5.7 | 4.7 | 11.3 |
| Nonmetro | 5,771 | 5,504 | 5,011 | 4,757 | 4.9 | 9.8 | 5.4 |
| Adjacent to large metro | 1,138 | 1,072 | 935 | 850 | 6.2 | 14.6 | 10.0 |
| Adjacent to small metro | 3,089 | 2,960 | 2,722 | 2,582 | 4.4 | 8.8 | 5.4 |
| Nonadjacent with city | 748 | 708 | 669 | 659 | 5.6 | 5.7 | 1.5 |
| Nonadjacent without city | 796 | 764 | 685 | 665 | 4.1 | 11.6 | 3.1 |
| Midwest | 59,669 | 58,866 | 56,566 | 51,619 | 1.4 | 4.1 | 9.6 |
| Metro | 42,576 | 41,479 | 40,383 | 35,696 | 2.6 | 2.7 | 13.1 |
| Large | 26,699 | 25,890 | 25,571 | 22,579 | 3.1 | 1.2 | 13.2 |
| Small | 15,877 | 15,589 | 14,812 | 13,117 | 1.8 | 5.2 | 12.9 |
| Nonmetro | 17,093 | 17,387 | 16,183 | 15,923 | -1.7 | 7.4 | 1.6 |
| Adjacent to large metro | 2,604 | 2,571 | 2,348 | 2,205 | 1.3 | 9.5 | 6.5 |
| Adjacent to small metro | 6,018 | 6,084 | 5,627 | 5,437 | -1.1 | 8.1 | 3.5 |
| Nonadjacent with city | 3,698 | 3,737 | 3,464 | 3,293 | -1.0 | 7.9 | 5.2 |
| Nonadjacent without city | 4,773 | 4,996 | 4,745 | 4,987 | -4.5 | 5.3 | -4.9 |
| South | 85,446 | 75,372 | 62,793 | 54,973 | 13.4 | 20.0 | 14.2 |
| Metro | 60,226 | 51,329 | 42,166 | 34,601 | 17.3 | 21.7 | 21.9 |
| Large | 25,999 | 21,437 | 17,456 | 13,307 | 21.3 | 22.8 | 31.2 |
| Small | 34,227 | 29,892 | 24,710 | 21,294 | 14.5 | 21.0 | 16.0 |
| Nonmetro | 25,219 | 24,044 | 20,627 | 20,373 | 4.9 | 16.6 | 1.2 |
| Adjacent to large metro | 1,952 | 1,613 | 1,277 | 1,154 | 21.0 | 26.3 | 10.6 |
| Adjacent to small metro | 10,679 | 10,004 | 8,482 | 8,273 | 6.7 | 17.9 | 2.5 |
| Nonadjacent with city | 5,781 | 5,542 | 4,816 | 4,627 | 4.3 | 15.1 | 4.1 |
| Nonadjacent without city | 6,807 | 6,884 | 6,052 | 6,319 | -1.1 | 13.8 | -4.2 |
| West | 52,786 | 43,172 | 34,809 | 28,053 | 22.3 | 24.0 | 24.1 |
| Metro | 44,182 | 35,679 | 29,063 | 22,688 | 23.8 | 22.8 | 28.1 |
| Large | 31,116 | 25,038 | 21,025 | 16,290 | 24.3 | 19.1 | 29.1 |
| Small | 13,066 | 10,641 | 8,039 | 6,398 | 22.8 | 32.4 | 25.6 |
| Nonmetro | 8,604 | 7,494 | 5,746 | 5,365 | 14.8 | 30.4 | 7.1 |
| Adjacent to large metro | 780 | 607 | 431 | 370 | 28.7 | 40.6 | 16.6 |
| Adjacent to small metro | 2,329 | 1,879 | 1,367 | 1,180 | 24.0 | 37.5 | 15.9 |
| Nonadjacent with city | 3,076 | 2,759 | 2,152 | 2,038 | 11.5 | 28.2 | 5.6 |
| Nonadjacent without city | 2,418 | 2,249 | 1,795 | 1,777 | 7.5 | 25.3 | 1.0 |
| Nonmetro county type: | | | | | | | |
| Farming-dependent | 7,785 | 7,841 | 7,339 | 7,705 | -.7 | 6.8 | -4.8 |
| Mining-dependent | 3,748 | 3,913 | 3,267 | 3,474 | -4.2 | 19.7 | -6.0 |
| Manufacturing-dependent | 21,993 | 21,452 | 19,143 | 18,248 | 2.5 | 12.1 | 4.9 |
| Persistent low-income | 3,607 | 3,591 | 3,172 | 3,323 | .5 | 13.2 | -4.5 |
| Retirement-destination | 13,333 | 11,453 | 8,644 | 7,829 | 16.4 | 32.5 | 10.4 |

## Appendix table 3—Black population, 1970-90

| Area | Population 1990 | Population 1980 | Population 1970 | Population change 1980-90 | Population change 1970-80 |
|---|---|---|---|---|---|
| | *Thousand* | | | *Percent* | |
| United States | 29,986 | 26,482 | 22,675 | 13.2 | 16.8 |
| Metro | 25,063 | 21,713 | 18,126 | 15.4 | 19.8 |
| Large | 16,561 | 14,340 | 12,097 | 15.5 | 18.5 |
| Small | 8,502 | 7,373 | 6,029 | 15.3 | 22.3 |
| Nonmetro | 4,923 | 4,770 | 4,549 | 3.2 | 4.9 |
| Adjacent to large metro | 369 | 339 | 315 | 9.1 | 7.5 |
| Adjacent to small metro | 2,076 | 2,022 | 1,931 | 2.7 | 4.7 |
| Nonadjacent with city | 1,340 | 1,253 | 1,139 | 6.9 | 10.0 |
| Nonadjacent without city | 1,139 | 1,156 | 1,164 | -1.5 | -.6 |
| Northeast | 5,613 | 4,850 | 4,344 | 15.7 | 11.6 |
| Metro | 5,532 | 4,797 | 4,297 | 15.3 | 11.6 |
| Large | 4,677 | 4,110 | 3,724 | 13.8 | 10.4 |
| Small | 855 | 687 | 574 | 24.5 | 19.7 |
| Nonmetro | 81 | 53 | 47 | 52.3 | 14.0 |
| Adjacent to large metro | 20 | 16 | 14 | 30.4 | 14.9 |
| Adjacent to small metro | 39 | 28 | 26 | 38.3 | 9.9 |
| Nonadjacent with city | 17 | 7 | 6 | 136.9 | 24.4 |
| Nonadjacent without city | 5 | 2 | 2 | 111.9 | 34.4 |
| Midwest | 5,716 | 5,333 | 4,572 | 7.2 | 16.7 |
| Metro | 5,453 | 5,103 | 4,368 | 6.9 | 16.8 |
| Large | 4,340 | 4,101 | 3,555 | 5.8 | 15.4 |
| Small | 1,113 | 1,002 | 813 | 11.1 | 23.2 |
| Nonmetro | 263 | 230 | 204 | 14.3 | 13.1 |
| Adjacent to large metro | 56 | 47 | 41 | 18.4 | 16.1 |
| Adjacent to small metro | 79 | 67 | 59 | 16.8 | 15.0 |
| Nonadjacent with city | 87 | 77 | 64 | 12.9 | 19.4 |
| Nonadjacent without city | 41 | 39 | 40 | 7.5 | -3.0 |
| South | 15,829 | 14,039 | 12,064 | 12.8 | 16.4 |
| Metro | 11,348 | 9,618 | 7,822 | 18.0 | 23.0 |
| Large | 5,276 | 4,254 | 3,392 | 24.0 | 25.4 |
| Small | 6,072 | 5,364 | 4,430 | 13.2 | 21.1 |
| Nonmetro | 4,481 | 4,420 | 4,242 | 1.4 | 4.2 |
| Adjacent to large metro | 283 | 271 | 256 | 4.8 | 5.5 |
| Adjacent to small metro | 1,918 | 1,902 | 1,827 | .8 | 4.1 |
| Nonadjacent with city | 1,198 | 1,139 | 1,044 | 5.2 | 9.2 |
| Nonadjacent without city | 1,081 | 1,109 | 1,115 | -2.5 | -.6 |
| West | 2,828 | 2,261 | 1,695 | 25.1 | 33.4 |
| Metro | 2,730 | 2,195 | 1,638 | 24.4 | 34.0 |
| Large | 2,268 | 1,875 | 1,426 | 21.0 | 31.5 |
| Small | 462 | 320 | 212 | 44.3 | 50.8 |
| Nonmetro | 98 | 66 | 56 | 48.8 | 17.0 |
| Adjacent to large metro | 9 | 5 | 4 | 83.9 | 20.7 |
| Adjacent to small metro | 40 | 25 | 19 | 63.6 | 26.7 |
| Nonadjacent with city | 37 | 29 | 25 | 27.4 | 16.1 |
| Nonadjacent without city | 11 | 7 | 7 | 61.4 | -7.4 |
| Nonmetro county type: | | | | | |
| Farming-dependent | 599 | 614 | 629 | -2.4 | -2.5 |
| Mining-dependent | 126 | 134 | 141 | -5.6 | -5.4 |
| Manufacturing-dependent | 2,288 | 2,221 | 2,077 | 3.0 | 6.9 |
| Persistent low-income | 877 | 897 | 893 | -2.2 | .5 |
| Retirement-destination | 829 | 769 | 716 | 7.9 | 7.4 |

## Appendix table 4—Hispanic population, 1980-90

| Area | Population 1990 | Population 1980 | Population change, 1980-90 |
|---|---|---|---|
| | *Thousand* | *Thousand* | *Percent* |
| United States | 22,354 | 14,604 | 53.1 |
| Metro | 20,025 | 12,818 | 56.2 |
| Large | 14,718 | 9,304 | 58.2 |
| Small | 5,307 | 3,513 | 51.1 |
| Nonmetro | 2,329 | 1,786 | 30.4 |
| Adjacent to large metro | 235 | 156 | 50.4 |
| Adjacent to small metro | 899 | 666 | 34.9 |
| Nonadjacent with city | 703 | 535 | 31.6 |
| Nonadjacent without city | 492 | 429 | 14.7 |
| Northeast | 3,754 | 2,608 | 44.0 |
| Metro | 3,691 | 2,569 | 43.6 |
| Large | 3,059 | 2,214 | 38.1 |
| Small | 632 | 355 | 77.9 |
| Nonmetro | 64 | 39 | 64.7 |
| Adjacent to large metro | 17 | 9 | 84.0 |
| Adjacent to small metro | 31 | 21 | 47.1 |
| Nonadjacent with city | 11 | 5 | 104.3 |
| Nonadjacent without city | 5 | 3 | 58.5 |
| Midwest | 1,727 | 1,270 | 35.9 |
| Metro | 1,510 | 1,102 | 37.0 |
| Large | 1,218 | 883 | 38.0 |
| Small | 292 | 219 | 32.8 |
| Nonmetro | 217 | 168 | 29.2 |
| Adjacent to large metro | 32 | 25 | 26.9 |
| Adjacent to small metro | 77 | 61 | 25.4 |
| Nonadjacent with city | 67 | 48 | 40.0 |
| Nonadjacent without city | 40 | 33 | 22.4 |
| South | 6,767 | 4,468 | 51.4 |
| Metro | 5,826 | 3,689 | 57.9 |
| Large | 3,481 | 2,062 | 68.8 |
| Small | 2,345 | 1,627 | 44.1 |
| Nonmetro | 941 | 779 | 20.8 |
| Adjacent to large metro | 105 | 67 | 55.6 |
| Adjacent to small metro | 403 | 328 | 23.0 |
| Nonadjacent with city | 231 | 189 | 22.0 |
| Nonadjacent without city | 203 | 195 | 4.1 |
| West | 10,106 | 6,257 | 61.5 |
| Metro | 8,999 | 5,457 | 64.9 |
| Large | 6,960 | 4,145 | 67.9 |
| Small | 2,039 | 1,311 | 55.5 |
| Nonmetro | 1,107 | 800 | 38.3 |
| Adjacent to large metro | 81 | 54 | 49.4 |
| Adjacent to small metro | 388 | 256 | 51.3 |
| Nonadjacent with city | 394 | 292 | 35.0 |
| Nonadjacent without city | 245 | 198 | 23.3 |
| Nonmetro county type: | | | |
| Farming-dependent | 555 | 392 | 41.7 |
| Mining-dependent | 302 | 269 | 12.3 |
| Manufacturing-dependent | 294 | 237 | 23.8 |
| Persistent low-income | 120 | 115 | 4.4 |
| Retirement-destination | 860 | 593 | 45.0 |

## Appendix table 5—Dependency ratio, 1970-90[1]

| Area | 1990 | 1980 | 1970 |
|---|---|---|---|
| | | *Percent* | |
| United States | 61.7 | 65.1 | 79.5 |
| Metro | 59.2 | 62.4 | 77.2 |
| Large | 57.6 | 61.3 | 76.1 |
| Small | 61.6 | 64.1 | 78.8 |
| Nonmetro | 70.7 | 73.9 | 87.8 |
| Adjacent to large metro | 68.6 | 72.0 | 86.2 |
| Adjacent to small metro | 70.0 | 73.9 | 87.8 |
| Nonadjacent with city | 67.4 | 69.1 | 82.6 |
| Nonadjacent without city | 75.8 | 79.0 | 93.2 |
| Northeast | 59.3 | 63.9 | 76.8 |
| Metro | 58.6 | 63.2 | 76.0 |
| Large | 57.5 | 62.3 | 74.8 |
| Small | 60.7 | 64.9 | 78.6 |
| Nonmetro | 65.1 | 69.9 | 84.0 |
| Adjacent to large metro | 66.4 | 69.5 | 83.4 |
| Adjacent to small metro | 65.9 | 70.7 | 83.7 |
| Nonadjacent with city | 57.8 | 64.9 | 82.6 |
| Nonadjacent without city | 67.3 | 72.1 | 87.8 |
| Midwest | 64.5 | 67.0 | 82.9 |
| Metro | 61.0 | 63.7 | 80.1 |
| Large | 60.4 | 63.6 | 79.7 |
| Small | 61.9 | 63.9 | 80.7 |
| Nonmetro | 73.8 | 75.4 | 90.5 |
| Adjacent to large metro | 69.2 | 72.7 | 87.8 |
| Adjacent to small metro | 72.9 | 75.6 | 91.3 |
| Nonadjacent with city | 68.5 | 68.8 | 82.8 |
| Nonadjacent without city | 82.3 | 82.1 | 96.9 |
| South | 62.2 | 66.6 | 80.4 |
| Metro | 59.3 | 63.0 | 77.3 |
| Large | 56.9 | 61.4 | 76.4 |
| Small | 61.1 | 64.1 | 78.0 |
| Nonmetro | 69.6 | 74.9 | 87.2 |
| Adjacent to large metro | 67.9 | 73.0 | 85.8 |
| Adjacent to small metro | 69.5 | 74.7 | 87.3 |
| Nonadjacent with city | 66.9 | 70.7 | 82.4 |
| Nonadjacent without city | 72.6 | 79.1 | 91.3 |
| West | 60.2 | 61.2 | 76.5 |
| Metro | 58.2 | 59.4 | 74.8 |
| Large | 55.9 | 57.9 | 73.4 |
| Small | 63.8 | 63.2 | 78.5 |
| Nonmetro | 71.6 | 70.3 | 86.1 |
| Adjacent to large metro | 72.0 | 70.8 | 84.7 |
| Adjacent to small metro | 70.5 | 69.9 | 84.9 |
| Nonadjacent with city | 69.4 | 67.5 | 82.4 |
| Nonadjacent without city | 75.6 | 74.2 | 91.9 |
| Nonmetro county type: | | | |
| Farming-dependent | 80.3 | 82.0 | 96.7 |
| Mining-dependent | 72.8 | 75.2 | 89.8 |
| Manufacturing-dependent | 68.7 | 72.8 | 86.2 |
| Persistent low-income | 73.7 | 82.4 | 97.5 |
| Retirement-destination | 72.1 | 75.0 | 88.2 |

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[1] The dependency ratio is the number of persons under age 18 plus the number of persons age 65 and older divided by the number of persons ages 18 to 64.

## Appendix table 6—Population by age group, 1970-1990

| Area | Ages 0 to 17 | | | | Ages 18 to 34 | | | |
|---|---|---|---|---|---|---|---|---|
| | Population | | Change | | Population | | Change | |
| | 1990 | 1980 | 1980-90 | 1970-80 | 1990 | 1980 | 1980-90 | 1970-80 |
| | --------Thousand-------- | | -------Percent------- | | --------Thousand-------- | | -------Percent------- | |
| United States | 63,607 | 63,792 | -0.3 | -8.8 | 69,786 | 67,099 | 4.0 | 39.1 |
| Metro | 48,471 | 47,758 | 1.5 | -10.4 | 55,550 | 52,207 | 6.4 | 37.8 |
| Large | 28,243 | 27,688 | 2.0 | -13.1 | 33,144 | 30,516 | 8.6 | 34.7 |
| Small | 20,229 | 20,070 | .8 | -6.3 | 22,406 | 21,692 | 3.3 | 42.5 |
| Nonmetro | 15,135 | 16,034 | -5.6 | -3.7 | 14,236 | 14,892 | -4.4 | 43.9 |
| Adjacent to large metro | 1,687 | 1,688 | -.0 | -2.2 | 1,641 | 1,600 | 2.6 | 44.6 |
| Adjacent to small metro | 5,857 | 6,179 | -5.2 | -3.4 | 5,543 | 5,653 | -1.9 | 42.9 |
| Nonadjacent with city | 3,574 | 3,718 | -3.9 | -3.6 | 3,625 | 3,836 | -5.5 | 42.8 |
| Nonadjacent without city | 4,016 | 4,450 | -9.7 | -4.9 | 3,426 | 3,803 | -9.9 | 46.2 |
| Northeast | 11,911 | 13,093 | -9.0 | -18.6 | 14,193 | 13,861 | 2.4 | 24.9 |
| Metro | 10,473 | 11,551 | -9.3 | -19.7 | 12,679 | 12,332 | 2.8 | 23.5 |
| Large | 6,775 | 7,596 | -10.8 | -22.0 | 8,330 | 8,147 | 2.2 | 19.4 |
| Small | 3,698 | 3,955 | -6.5 | -15.0 | 4,350 | 4,184 | 4.0 | 32.2 |
| Nonmetro | 1,438 | 1,541 | -6.7 | -9.7 | 1,513 | 1,530 | -1.1 | 38.0 |
| Adjacent to large metro | 274 | 291 | -5.9 | -7.7 | 290 | 293 | -1.0 | 45.7 |
| Adjacent to small metro | 777 | 834 | -6.9 | -9.5 | 790 | 803 | -1.5 | 34.7 |
| Nonadjacent with city | 183 | 198 | -7.4 | -15.7 | 235 | 226 | 3.8 | 34.4 |
| Nonadjacent without city | 203 | 218 | -6.8 | -7.5 | 199 | 208 | -4.7 | 44.7 |
| Midwest | 15,630 | 16,933 | -7.7 | -15.0 | 16,274 | 17,290 | -5.9 | 31.7 |
| Metro | 11,069 | 11,912 | -7.1 | -16.9 | 12,089 | 12,603 | -4.1 | 29.6 |
| Large | 6,947 | 7,445 | -6.7 | -18.0 | 7,562 | 7,724 | -2.1 | 28.0 |
| Small | 4,122 | 4,466 | -7.7 | -15.0 | 4,527 | 4,879 | -7.2 | 32.1 |
| Nonmetro | 4,562 | 5,021 | -9.2 | -9.9 | 4,185 | 4,687 | -10.7 | 37.7 |
| Adjacent to large metro | 695 | 754 | -7.8 | -7.7 | 670 | 710 | -5.7 | 37.2 |
| Adjacent to small metro | 1,621 | 1,793 | -9.6 | -9.0 | 1,466 | 1,620 | -9.5 | 38.2 |
| Nonadjacent with city | 968 | 1,045 | -7.4 | -10.1 | 1,016 | 1,144 | -11.2 | 34.3 |
| Nonadjacent without city | 1,278 | 1,428 | -10.5 | -12.0 | 1,033 | 1,213 | -14.8 | 40.8 |
| South | 22,017 | 21,655 | 1.7 | -1.3 | 23,934 | 22,281 | 7.4 | 46.3 |
| Metro | 15,369 | 14,485 | 6.1 | -1.3 | 17,522 | 15,813 | 10.8 | 47.9 |
| Large | 6,617 | 5,951 | 11.2 | -1.1 | 7,718 | 6,613 | 16.7 | 49.8 |
| Small | 8,751 | 8,534 | 2.5 | -1.4 | 9,805 | 9,200 | 6.6 | 46.6 |
| Nonmetro | 6,649 | 7,170 | -7.3 | -1.4 | 6,412 | 6,468 | -.9 | 42.5 |
| Adjacent to large metro | 517 | 471 | 9.7 | 5.9 | 504 | 434 | 16.3 | 47.5 |
| Adjacent to small metro | 2,793 | 2,984 | -6.4 | -.9 | 2,693 | 2,677 | .6 | 43.2 |
| Nonadjacent with city | 1,531 | 1,629 | -6.1 | -2.7 | 1,573 | 1,606 | -2.1 | 40.0 |
| Nonadjacent without city | 1,808 | 2,085 | -13.3 | -2.5 | 1,642 | 1,752 | -6.2 | 42.6 |
| West | 14,048 | 12,112 | 16.0 | 1.0 | 15,385 | 13,667 | 12.6 | 55.8 |
| Metro | 11,561 | 9,811 | 17.8 | -.7 | 13,259 | 11,460 | 15.7 | 53.4 |
| Large | 7,903 | 6,696 | 18.0 | -4.7 | 9,534 | 8,032 | 18.7 | 49.1 |
| Small | 3,658 | 3,115 | 17.4 | 9.1 | 3,725 | 3,428 | 8.7 | 64.3 |
| Nonmetro | 2,487 | 2,301 | 8.1 | 9.3 | 2,126 | 2,207 | -3.7 | 69.8 |
| Adjacent to large metro | 200 | 170 | 17.7 | 15.0 | 177 | 164 | 8.4 | 73.7 |
| Adjacent to small metro | 667 | 567 | 17.6 | 15.6 | 594 | 553 | 7.4 | 73.0 |
| Nonadjacent with city | 893 | 846 | 5.5 | 7.7 | 802 | 860 | -6.8 | 65.7 |
| Nonadjacent without city | 727 | 718 | 1.3 | 5.4 | 552 | 630 | -12.3 | 71.8 |
| Nonmetro county type: | | | | | | | | |
| Farming-dependent | 2,160 | 2,342 | -7.8 | -10.1 | 1,777 | 1,934 | -8.1 | 40.5 |
| Mining-dependent | 1,075 | 1,238 | -13.2 | 3.7 | 912 | 1,097 | -16.9 | 62.3 |
| Manufacturing-dependent | 5,780 | 6,341 | -8.9 | -6.1 | 5,505 | 5,772 | -4.6 | 38.4 |
| Persistent low-income | 1,012 | 1,150 | -12.0 | -3.8 | 888 | 916 | -3.1 | 41.9 |
| Retirement-destination | 3,385 | 3,237 | 4.6 | 11.0 | 3,174 | 2,967 | 7.0 | 62.9 |

See note at end of table.

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## Appendix table 6—Population by age group, 1970-1990—Continued

| Area | Ages 35 to 64 | | | | Age 65 and older | | | |
|---|---|---|---|---|---|---|---|---|
| | Population | | Change | | Population | | Change | |
| | 1990 | 1980 | 1980-90 | 1970-80 | 1990 | 1980 | 1980-90 | 1970-80 |
| | --------Thousand-------- | | -------Percent------- | | --------Thousand-------- | | -------Percent------- | |
| United States | 83,950 | 70,156 | 19.7 | 8.0 | 31,242 | 25,498 | 22.5 | 26.8 |
| Metro | 64,979 | 53,749 | 20.9 | 7.5 | 22,908 | 18,403 | 24.5 | 26.8 |
| Large | 38,742 | 32,315 | 19.9 | 5.0 | 13,169 | 10,841 | 21.5 | 23.2 |
| Small | 26,237 | 21,434 | 22.4 | 11.7 | 9,739 | 7,563 | 28.8 | 32.3 |
| Nonmetro | 18,971 | 16,407 | 15.6 | 9.6 | 8,334 | 7,095 | 17.5 | 27.1 |
| Adjacent to large metro | 2,198 | 1,809 | 21.5 | 14.9 | 947 | 765 | 23.8 | 31.0 |
| Adjacent to small metro | 7,464 | 6,380 | 17.0 | 11.3 | 3,246 | 2,716 | 19.5 | 28.6 |
| Nonadjacent with city | 4,321 | 3,700 | 16.8 | 9.0 | 1,779 | 1,492 | 19.3 | 28.4 |
| Nonadjacent without city | 4,988 | 4,519 | 10.4 | 5.7 | 2,362 | 2,122 | 11.3 | 22.9 |
| Northeast | 17,687 | 16,119 | 9.7 | -3.2 | 6,995 | 6,062 | 15.4 | 16.4 |
| Metro | 15,705 | 14,409 | 9.0 | -4.1 | 6,157 | 5,340 | 15.3 | 15.3 |
| Large | 10,427 | 9,716 | 7.3 | -6.3 | 4,011 | 3,535 | 13.5 | 13.0 |
| Small | 5,279 | 4,693 | 12.5 | .7 | 2,146 | 1,804 | 18.9 | 20.2 |
| Nonmetro | 1,982 | 1,710 | 15.9 | 5.9 | 838 | 723 | 16.0 | 24.4 |
| Adjacent to large metro | 394 | 340 | 16.0 | 9.8 | 180 | 148 | 21.9 | 34.7 |
| Adjacent to small metro | 1,071 | 931 | 15.0 | 5.1 | 450 | 392 | 14.9 | 23.1 |
| Nonadjacent with city | 239 | 203 | 17.7 | 2.4 | 91 | 81 | 12.2 | 18.7 |
| Nonadjacent without city | 277 | 236 | 17.6 | 6.8 | 117 | 102 | 14.3 | 20.8 |
| Midwest | 19,999 | 17,957 | 11.4 | .9 | 7,749 | 6,686 | 15.9 | 16.6 |
| Metro | 14,353 | 12,733 | 12.7 | .3 | 5,051 | 4,231 | 19.4 | 16.8 |
| Large | 9,073 | 8,103 | 12.0 | -1.1 | 3,106 | 2,618 | 18.6 | 15.9 |
| Small | 5,280 | 4,630 | 14.0 | 2.8 | 1,944 | 1,613 | 20.5 | 18.3 |
| Nonmetro | 5,646 | 5,224 | 8.1 | 2.6 | 2,698 | 2,455 | 9.9 | 16.2 |
| Adjacent to large metro | 869 | 779 | 11.6 | 6.3 | 369 | 327 | 12.8 | 16.9 |
| Adjacent to small metro | 2,014 | 1,845 | 9.2 | 4.4 | 916 | 825 | 11.0 | 15.6 |
| Nonadjacent with city | 1,178 | 1,069 | 10.2 | 2.4 | 535 | 478 | 11.9 | 17.7 |
| Nonadjacent without city | 1,585 | 1,531 | 3.5 | -1.2 | 877 | 824 | 6.5 | 15.6 |
| South | 28,731 | 22,967 | 25.1 | 17.4 | 10,724 | 8,469 | 26.6 | 39.9 |
| Metro | 20,272 | 15,686 | 29.2 | 19.8 | 7,028 | 5,345 | 31.5 | 43.9 |
| Large | 8,841 | 6,669 | 32.6 | 21.7 | 2,805 | 2,204 | 27.3 | 42.9 |
| Small | 11,431 | 9,017 | 26.8 | 18.5 | 4,223 | 3,141 | 34.5 | 44.6 |
| Nonmetro | 8,459 | 7,281 | 16.2 | 12.4 | 3,696 | 3,125 | 18.3 | 33.6 |
| Adjacent to large metro | 658 | 499 | 32.0 | 26.9 | 272 | 209 | 30.1 | 44.5 |
| Adjacent to small metro | 3,607 | 3,051 | 18.2 | 14.7 | 1,584 | 1,293 | 22.5 | 37.2 |
| Nonadjacent with city | 1,892 | 1,640 | 15.4 | 9.9 | 786 | 667 | 17.9 | 32.7 |
| Nonadjacent without city | 2,302 | 2,092 | 10.0 | 8.1 | 1,054 | 956 | 10.3 | 27.7 |
| West | 17,533 | 13,112 | 33.7 | 19.8 | 5,773 | 4,281 | 34.9 | 37.9 |
| Metro | 14,649 | 10,920 | 34.1 | 19.2 | 4,672 | 3,488 | 33.9 | 36.7 |
| Large | 10,402 | 7,826 | 32.9 | 16.1 | 3,247 | 2,483 | 30.7 | 32.8 |
| Small | 4,247 | 3,094 | 37.3 | 28.0 | 1,425 | 1,004 | 41.9 | 47.6 |
| Nonmetro | 2,884 | 2,192 | 31.6 | 22.6 | 1,102 | 793 | 38.9 | 43.5 |
| Adjacent to large metro | 276 | 191 | 44.2 | 37.4 | 126 | 81 | 55.3 | 62.9 |
| Adjacent to small metro | 771 | 553 | 39.5 | 31.7 | 295 | 206 | 43.5 | 50.5 |
| Nonadjacent with city | 1,012 | 788 | 28.5 | 19.7 | 367 | 266 | 38.0 | 43.5 |
| Nonadjacent without city | 824 | 660 | 24.8 | 15.7 | 314 | 240 | 30.6 | 33.0 |
| Nonmetro county type: | | | | | | | | |
| Farming-dependent | 2,541 | 2,374 | 7.0 | .8 | 1,307 | 1,191 | 9.7 | 18.8 |
| Mining-dependent | 1,257 | 1,136 | 10.7 | 8.7 | 503 | 441 | 14.1 | 25.4 |
| Manufacturing-dependent | 7,530 | 6,640 | 13.4 | 8.7 | 3,174 | 2,699 | 17.6 | 27.8 |
| Persistent low-income | 1,189 | 1,053 | 12.9 | 9.7 | 518 | 472 | 9.7 | 27.0 |
| Retirement-destination | 4,570 | 3,577 | 27.8 | 29.0 | 2,198 | 1,672 | 31.5 | 47.6 |

Note: -.0 = Decline of less than 0.1 percent.

## Appendix table 7—Net migration and population change from net migration, 1970-90

| Area | 1980-90 | | 1970-80 | |
|---|---|---|---|---|
| | Net migration | Effect on population | Net migration | Effect on population |
| | *Thousand* | *Percent* | *Thousand* | *Percent* |
| United States | 6,738 | 2.7 | 5,819 | 2.6 |
| Metro | 7,289 | 3.9 | 2,840 | 1.7 |
| Large | 4,574 | 4.1 | -428 | -.4 |
| Small | 2,716 | 3.5 | 3,268 | 4.7 |
| Nonmetro | -552 | -1.0 | 2,979 | 5.3 |
| Adjacent to large metro | 343 | 5.5 | 471 | 7.2 |
| Adjacent to small metro | 181 | .8 | 1,274 | 6.1 |
| Nonadjacent with city | -331 | -2.4 | 610 | 4.4 |
| Nonadjacent without city | -745 | -4.7 | 625 | 4.2 |
| Northeast | -296 | -.6 | -2664 | -5.4 |
| Metro | -370 | -.8 | -2868 | -6.5 |
| Large | -590 | -1.9 | -2722 | -9.3 |
| Small | 220 | 1.4 | -145 | -1.0 |
| Nonmetro | 74 | 1.3 | 204 | 3.7 |
| Adjacent to large metro | 37 | 3.3 | 89 | 8.3 |
| Adjacent to small metro | 30 | 1.0 | 88 | 3.0 |
| Nonadjacent with city | 5 | .6 | -11 | -1.6 |
| Nonadjacent without city | 2 | .3 | 38 | 4.9 |
| Midwest | -2754 | -4.3 | -2360 | -4.0 |
| Metro | -1737 | -3.9 | -2533 | -6.0 |
| Large | -988 | -3.5 | -1945 | -7.4 |
| Small | -749 | -4.4 | -588 | -3.7 |
| Nonmetro | -1017 | -5.6 | 173 | 1.0 |
| Adjacent to large metro | -79 | -2.9 | 58 | 2.2 |
| Adjacent to small metro | -322 | -5.0 | 81 | 1.3 |
| Nonadjacent with city | -253 | -6.3 | 2 | .1 |
| Nonadjacent without city | -363 | -7.0 | 31 | .6 |
| South | 4,817 | 5.8 | 6,313 | 8.5 |
| Metro | 4,741 | 8.4 | 4,736 | 9.7 |
| Large | 2,671 | 11.2 | 2,219 | 11.3 |
| Small | 2,070 | 6.3 | 2,517 | 8.5 |
| Nonmetro | 77 | .3 | 1,578 | 6.3 |
| Adjacent to large metro | 249 | 14.3 | 188 | 8.4 |
| Adjacent to small metro | 212 | 2.0 | 775 | 7.8 |
| Nonadjacent with city | -79 | -1.3 | 280 | 4.7 |
| Nonadjacent without city | -306 | -4.2 | 335 | 4.8 |
| West | 4,971 | 10.2 | 4,530 | 10.4 |
| Metro | 4,656 | 11.6 | 3,505 | 10.0 |
| Large | 3,480 | 12.4 | 2,020 | 8.0 |
| Small | 1,175 | 9.7 | 1,485 | 15.1 |
| Nonmetro | 315 | 3.8 | 1,025 | 12.6 |
| Adjacent to large metro | 136 | 20.8 | 136 | 22.2 |
| Adjacent to small metro | 261 | 12.4 | 329 | 17.7 |
| Nonadjacent with city | -3 | -.1 | 339 | 9.5 |
| Nonadjacent without city | -78 | -3.1 | 221 | 10.4 |
| Nonmetro county type: | | | | |
| Farming-dependent | -387 | -4.7 | 28 | .4 |
| Mining-dependent | -443 | -10.4 | 304 | 8.0 |
| Manufacturing-dependent | -369 | -1.6 | 755 | 3.3 |
| Persistent low-income | -153 | -4.0 | 126 | 3.4 |
| Retirement-destination | 1,434 | 11.6 | 2,148 | 19.0 |

## Appendix table 8—Number of children born to women by age group, 1970-90

| Area | Women ages 15 to 24 | | | Women ages 25 to 34 | | | Women ages 35 to 44 | | |
|---|---|---|---|---|---|---|---|---|---|
| | 1990 | 1980 | 1970 | 1990 | 1980 | 1970 | 1990 | 1980 | 1970 |
| | | | | *Number of children per woman* | | | | | |
| United States | 0.30 | 0.32 | 0.36 | 1.33 | 1.48 | 2.14 | 1.96 | 2.64 | 2.96 |
| Metro | .29 | .29 | .34 | 1.26 | 1.40 | 2.06 | 1.90 | 2.56 | 2.87 |
| Large | .28 | .28 | .33 | 1.19 | 1.33 | 1.98 | 1.85 | 2.49 | 2.79 |
| Small | .30 | .31 | .36 | 1.36 | 1.50 | 2.19 | 1.98 | 2.67 | 2.99 |
| Nonmetro | .35 | .39 | .42 | 1.63 | 1.76 | 2.43 | 2.18 | 2.90 | 3.28 |
| Adjacent to large metro | .32 | .35 | .40 | 1.59 | 1.70 | 2.41 | 2.13 | 2.83 | 3.19 |
| Adjacent to small metro | .36 | .39 | .43 | 1.62 | 1.76 | 2.42 | 2.17 | 2.89 | 3.25 |
| Nonadjacent with city | .33 | .37 | .39 | 1.59 | 1.69 | 2.38 | 2.15 | 2.85 | 3.21 |
| Nonadjacent without city | .38 | .43 | .44 | 1.71 | 1.84 | 2.51 | 2.27 | 2.99 | 3.41 |
| Northeast | .23 | .23 | .29 | 1.14 | 1.33 | 1.97 | 1.84 | 2.50 | 2.73 |
| Metro | .23 | .22 | .28 | 1.11 | 1.30 | 1.93 | 1.82 | 2.47 | 2.69 |
| Large | .22 | .22 | .27 | 1.05 | 1.25 | 1.85 | 1.79 | 2.41 | 2.63 |
| Small | .24 | .23 | .31 | 1.23 | 1.40 | 2.10 | 1.88 | 2.59 | 2.83 |
| Nonmetro | .26 | .28 | .37 | 1.44 | 1.57 | 2.35 | 1.99 | 2.78 | 3.09 |
| Adjacent to large metro | .22 | .25 | .33 | 1.36 | 1.52 | 2.26 | 1.96 | 2.68 | 2.99 |
| Adjacent to small metro | .27 | .29 | .37 | 1.45 | 1.59 | 2.33 | 1.99 | 2.78 | 3.07 |
| Nonadjacent with city | .25 | .26 | .34 | 1.44 | 1.56 | 2.46 | 2.02 | 2.90 | 3.31 |
| Nonadjacent without city | .31 | .33 | .42 | 1.52 | 1.61 | 2.45 | 2.01 | 2.85 | 3.14 |
| Midwest | .29 | .31 | .35 | 1.41 | 1.54 | 2.24 | 2.04 | 2.75 | 3.11 |
| Metro | .28 | .30 | .34 | 1.31 | 1.46 | 2.16 | 1.96 | 2.68 | 3.03 |
| Large | .29 | .30 | .34 | 1.27 | 1.43 | 2.11 | 1.93 | 2.64 | 2.98 |
| Small | .26 | .29 | .34 | 1.40 | 1.52 | 2.26 | 2.02 | 2.74 | 3.13 |
| Nonmetro | .31 | .35 | .38 | 1.68 | 1.77 | 2.47 | 2.24 | 2.94 | 3.33 |
| Adjacent to large metro | .31 | .34 | .40 | 1.65 | 1.75 | 2.43 | 2.20 | 2.89 | 3.26 |
| Adjacent to small metro | .32 | .36 | .41 | 1.69 | 1.78 | 2.49 | 2.24 | 2.95 | 3.31 |
| Nonadjacent with city | .28 | .31 | .34 | 1.59 | 1.66 | 2.38 | 2.16 | 2.84 | 3.22 |
| Nonadjacent without city | .35 | .38 | .40 | 1.79 | 1.85 | 2.56 | 2.34 | 3.04 | 3.46 |
| South | .35 | .37 | .42 | 1.37 | 1.56 | 2.19 | 1.98 | 2.67 | 3.00 |
| Metro | .33 | .34 | .40 | 1.29 | 1.46 | 2.11 | 1.91 | 2.59 | 2.90 |
| Large | .32 | .32 | .39 | 1.21 | 1.36 | 2.03 | 1.84 | 2.49 | 2.81 |
| Small | .33 | .36 | .40 | 1.36 | 1.53 | 2.18 | 1.97 | 2.66 | 2.96 |
| Nonmetro | .39 | .44 | .46 | 1.61 | 1.80 | 2.39 | 2.18 | 2.88 | 3.24 |
| Adjacent to large metro | .39 | .40 | .46 | 1.61 | 1.78 | 2.45 | 2.17 | 2.86 | 3.17 |
| Adjacent to small metro | .39 | .43 | .46 | 1.61 | 1.80 | 2.39 | 2.17 | 2.88 | 3.25 |
| Nonadjacent with city | .38 | .42 | .43 | 1.56 | 1.73 | 2.32 | 2.14 | 2.81 | 3.12 |
| Nonadjacent without city | .41 | .48 | .48 | 1.65 | 1.86 | 2.44 | 2.22 | 2.94 | 3.36 |
| West | .32 | .32 | .36 | 1.35 | 1.42 | 2.11 | 1.95 | 2.60 | 2.96 |
| Metro | .31 | .31 | .35 | 1.29 | 1.36 | 2.04 | 1.90 | 2.52 | 2.87 |
| Large | .30 | .29 | .34 | 1.22 | 1.30 | 1.96 | 1.84 | 2.44 | 2.78 |
| Small | .34 | .34 | .37 | 1.49 | 1.53 | 2.26 | 2.06 | 2.73 | 3.13 |
| Nonmetro | .37 | .40 | .41 | 1.73 | 1.73 | 2.54 | 2.22 | 2.97 | 3.43 |
| Adjacent to large metro | .38 | .39 | .43 | 1.66 | 1.66 | 2.49 | 2.05 | 2.80 | 3.31 |
| Adjacent to small metro | .39 | .38 | .41 | 1.73 | 1.74 | 2.52 | 2.21 | 2.97 | 3.36 |
| Nonadjacent with city | .34 | .38 | .39 | 1.67 | 1.69 | 2.47 | 2.20 | 2.93 | 3.36 |
| Nonadjacent without city | .41 | .44 | .44 | 1.82 | 1.81 | 2.66 | 2.33 | 3.08 | 3.58 |
| Nonmetro county type: | | | | | | | | | |
| Farming-dependent | .37 | .42 | .42 | 1.79 | 1.91 | 2.57 | 2.39 | 3.09 | 3.52 |
| Mining-dependent | .40 | .48 | .46 | 1.75 | 1.88 | 2.54 | 2.29 | 3.03 | 3.38 |
| Manufacturing-dependent | .35 | .39 | .44 | 1.58 | 1.74 | 2.38 | 2.14 | 2.83 | 3.17 |
| Persistent low-income | .44 | .49 | .47 | 1.74 | 1.93 | 2.58 | 2.33 | 3.12 | 3.70 |
| Retirement-destination | .38 | .39 | .44 | 1.61 | 1.73 | 2.42 | 2.13 | 2.84 | 3.20 |

## Appendix table 9—Children under 18 years old not living with both parents, 1970-90

| | 1990 | | 1980 | | 1970 | |
|---|---|---|---|---|---|---|
| | Number | Share of all children | Number | Share of all children | Number | Share of all children |
| | *Thousand* | *Percent* | *Thousand* | *Percent* | *Thousand* | *Percent* |
| United States | 18,310 | 28.8 | 15,255 | 23.9 | 12,101 | 17.3 |
| Metro | 14,418 | 29.7 | 11,977 | 25.1 | 9,259 | 17.4 |
| Large | 8,717 | 30.9 | 7,308 | 26.4 | 5,630 | 17.7 |
| Small | 5,701 | 28.2 | 4,669 | 23.3 | 3,629 | 17.0 |
| Nonmetro | 3,893 | 25.7 | 3,278 | 20.4 | 2,842 | 17.1 |
| Adjacent to large metro | 397 | 23.5 | 313 | 18.5 | 259 | 15.0 |
| Adjacent to small metro | 1,512 | 25.8 | 1,275 | 20.6 | 1,100 | 17.2 |
| Nonadjacent with city | 981 | 27.4 | 815 | 21.9 | 694 | 18.0 |
| Nonadjacent without city | 1,003 | 25.0 | 875 | 19.7 | 790 | 16.9 |
| Northeast | 3,406 | 28.6 | 3,165 | 24.2 | 2,586 | 16.1 |
| Metro | 3,084 | 29.4 | 2,884 | 25.0 | 2,345 | 16.3 |
| Large | 2,146 | 31.7 | 2,048 | 27.0 | 1,692 | 17.4 |
| Small | 937 | 25.3 | 836 | 21.1 | 653 | 14.0 |
| Nonmetro | 322 | 22.4 | 281 | 18.2 | 241 | 14.1 |
| Adjacent to large metro | 59 | 21.5 | 51 | 17.4 | 41 | 13.1 |
| Adjacent to small metro | 176 | 22.6 | 154 | 18.4 | 132 | 14.3 |
| Nonadjacent with city | 41 | 22.6 | 36 | 18.4 | 34 | 14.4 |
| Nonadjacent without city | 46 | 22.8 | 40 | 18.3 | 34 | 14.5 |
| Midwest | 4,046 | 25.9 | 3,529 | 20.8 | 2,842 | 14.3 |
| Metro | 3,143 | 28.4 | 2,774 | 23.3 | 2,172 | 15.2 |
| Large | 2,087 | 30.0 | 1,873 | 25.2 | 1,473 | 16.2 |
| Small | 1,056 | 25.6 | 900 | 20.2 | 699 | 13.3 |
| Nonmetro | 903 | 19.8 | 756 | 15.1 | 670 | 12.0 |
| Adjacent to large metro | 143 | 20.5 | 118 | 15.6 | 102 | 12.4 |
| Adjacent to small metro | 316 | 19.5 | 263 | 14.7 | 229 | 11.6 |
| Nonadjacent with city | 204 | 21.1 | 172 | 16.5 | 152 | 13.1 |
| Nonadjacent without city | 241 | 18.9 | 203 | 14.2 | 187 | 11.5 |
| South | 6,829 | 31.0 | 5,662 | 26.1 | 4,585 | 20.9 |
| Metro | 4,801 | 31.2 | 3,880 | 26.8 | 2,978 | 20.3 |
| Large | 2,097 | 31.7 | 1,637 | 27.5 | 1,182 | 19.6 |
| Small | 2,703 | 30.9 | 2,243 | 26.3 | 1,795 | 20.8 |
| Nonmetro | 2,028 | 30.5 | 1,782 | 24.8 | 1,608 | 22.1 |
| Adjacent to large metro | 142 | 27.5 | 108 | 23.0 | 93 | 20.8 |
| Adjacent to small metro | 851 | 30.5 | 743 | 24.9 | 663 | 22.0 |
| Nonadjacent with city | 497 | 32.5 | 435 | 26.7 | 386 | 23.1 |
| Nonadjacent without city | 538 | 29.7 | 495 | 23.8 | 466 | 21.8 |
| West | 4,029 | 28.7 | 2,899 | 23.9 | 2,088 | 17.4 |
| Metro | 3,391 | 29.3 | 2,439 | 24.9 | 1,764 | 17.9 |
| Large | 2,386 | 30.2 | 1,750 | 26.1 | 1,283 | 18.3 |
| Small | 1,005 | 27.5 | 690 | 22.1 | 482 | 16.9 |
| Nonmetro | 638 | 25.7 | 459 | 20.0 | 324 | 15.4 |
| Adjacent to large metro | 53 | 26.6 | 36 | 21.0 | 23 | 15.6 |
| Adjacent to small metro | 170 | 25.5 | 115 | 20.2 | 76 | 15.5 |
| Nonadjacent with city | 238 | 26.6 | 172 | 20.3 | 121 | 15.5 |
| Nonadjacent without city | 178 | 24.4 | 137 | 19.1 | 103 | 15.2 |
| Nonmetro county type: | | | | | | |
| Farming-dependent | 505 | 23.4 | 420 | 17.9 | 393 | 15.1 |
| Mining-dependent | 258 | 24.0 | 226 | 18.3 | 199 | 16.6 |
| Manufacturing-dependent | 1,516 | 26.2 | 1,327 | 20.9 | 1,154 | 17.1 |
| Persistent low-income | 352 | 34.8 | 322 | 28.1 | 300 | 25.1 |
| Retirement-destination | 872 | 25.8 | 672 | 20.8 | 514 | 17.6 |

## Appendix table 10—One-parent families with children by race and ethnicity, 1980-90

| | 1990 | | | | | |
|---|---|---|---|---|---|---|
| | White | | Black | | Hispanic | |
| Area | Number | Share of all families | Number | Share of all families | Number | Share of all families |
| | *Thousand* | *Percent* | *Thousand* | *Percent* | *Thousand* | *Percent* |
| United States | 24,688 | 17.6 | 3,985 | 53.2 | 3,081 | 28.6 |
| Metro | 18,277 | 17.9 | 3,348 | 54.0 | 2,753 | 29.2 |
| Large | 10,004 | 17.6 | 2,166 | 55.0 | 1,999 | 29.7 |
| Small | 8,273 | 18.3 | 1,182 | 52.1 | 755 | 27.8 |
| Nonmetro | 6,410 | 16.9 | 637 | 49.0 | 328 | 23.2 |
| Adjacent to large metro | 764 | 16.6 | 44 | 46.7 | 32 | 22.4 |
| Adjacent to small metro | 2,495 | 16.8 | 263 | 47.9 | 126 | 22.8 |
| Nonadjacent with city | 1,459 | 17.9 | 185 | 50.8 | 102 | 24.1 |
| Nonadjacent without city | 1,692 | 16.1 | 145 | 49.3 | 69 | 23.0 |
| Northeast | 4,865 | 17.0 | 695 | 56.0 | 534 | 45.4 |
| Metro | 4,149 | 16.7 | 687 | 56.2 | 527 | 45.6 |
| Large | 2,450 | 15.9 | 573 | 55.9 | 432 | 45.8 |
| Small | 1,700 | 17.7 | 114 | 57.3 | 95 | 44.6 |
| Nonmetro | 716 | 18.8 | 8 | 40.8 | 7 | 32.3 |
| Adjacent to large metro | 135 | 17.6 | 2 | 43.7 | 2 | 37.6 |
| Adjacent to small metro | 388 | 18.8 | 4 | 47.4 | 4 | 34.5 |
| Nonadjacent with city | 91 | 19.7 | 2 | 25.6 | 1 | 15.5 |
| Nonadjacent without city | 102 | 19.7 | 0 | 34.4 | 0 | 23.5 |
| Midwest | 6,660 | 17.2 | 778 | 60.3 | 238 | 26.4 |
| Metro | 4,498 | 17.6 | 748 | 60.9 | 209 | 26.6 |
| Large | 2,638 | 16.6 | 584 | 60.9 | 172 | 26.0 |
| Small | 1,860 | 18.9 | 164 | 60.6 | 37 | 29.2 |
| Nonmetro | 2,162 | 16.4 | 30 | 47.9 | 28 | 24.9 |
| Adjacent to large metro | 334 | 16.6 | 6 | 46.2 | 4 | 23.7 |
| Adjacent to small metro | 777 | 16.4 | 8 | 51.1 | 10 | 24.4 |
| Nonadjacent with city | 460 | 17.9 | 11 | 46.1 | 10 | 26.5 |
| Nonadjacent without city | 591 | 15.2 | 5 | 48.8 | 5 | 23.7 |
| South | 8,254 | 16.5 | 2,140 | 50.3 | 952 | 22.1 |
| Metro | 5,681 | 16.9 | 1,553 | 50.6 | 819 | 22.6 |
| Large | 2,313 | 16.8 | 715 | 50.8 | 481 | 22.5 |
| Small | 3,368 | 17.0 | 838 | 50.5 | 338 | 22.7 |
| Nonmetro | 2,573 | 15.6 | 587 | 49.5 | 133 | 19.2 |
| Adjacent to large metro | 208 | 14.4 | 36 | 47.3 | 15 | 17.9 |
| Adjacent to small metro | 1,069 | 15.6 | 247 | 48.0 | 57 | 18.8 |
| Nonadjacent with city | 567 | 15.9 | 166 | 52.0 | 33 | 19.5 |
| Nonadjacent without city | 729 | 15.5 | 139 | 49.5 | 29 | 20.5 |
| West | 4,908 | 20.7 | 372 | 49.6 | 1,357 | 26.9 |
| Metro | 3,949 | 21.0 | 361 | 50.2 | 1,198 | 27.0 |
| Large | 2,603 | 20.8 | 295 | 52.0 | 913 | 26.6 |
| Small | 1,346 | 21.3 | 66 | 42.1 | 285 | 28.1 |
| Nonmetro | 959 | 19.9 | 11 | 32.4 | 159 | 25.8 |
| Adjacent to large metro | 87 | 20.5 | 1 | 34.2 | 11 | 24.9 |
| Adjacent to small metro | 262 | 20.2 | 4 | 35.8 | 55 | 25.8 |
| Nonadjacent with city | 341 | 20.8 | 5 | 31.0 | 58 | 26.4 |
| Nonadjacent without city | 270 | 18.3 | 1 | 25.0 | 34 | 25.0 |
| Nonmetro county type: | | | | | | |
| Farming-dependent | 872 | 14.6 | 75 | 49.6 | 81 | 22.3 |
| Mining-dependent | 469 | 16.9 | 16 | 47.6 | 46 | 22.1 |
| Manufacturing-dependent | 2,526 | 16.9 | 301 | 48.6 | 38 | 24.3 |
| Persistent low-income | 343 | 15.7 | 112 | 49.0 | 17 | 22.9 |
| Retirement-destination | 1,465 | 17.6 | 104 | 46.2 | 120 | 22.7 |

—Continued

## Appendix table 10—One-parent families with children by race and ethnicity, 1980-90—Continued

| | 1980 | | | | | |
|---|---|---|---|---|---|---|
| | White | | Black | | Hispanic | |
| Area | Number | Share of all families | Number | Share of all families | Number | Share of all families |
| | *Thousand* | *Percent* | *Thousand* | *Percent* | *Thousand* | *Percent* |
| United States | 24,541 | 14.1 | 3,703 | 45.9 | 2,229 | 23.5 |
| Metro | 17,917 | 14.8 | 3,149 | 47.4 | 1,964 | 24.5 |
| Large | 9,838 | 15.0 | 2,095 | 49.1 | 1,429 | 25.8 |
| Small | 8,079 | 14.6 | 1,054 | 44.1 | 535 | 21.0 |
| Nonmetro | 6,624 | 12.4 | 554 | 37.3 | 264 | 16.6 |
| Adjacent to large metro | 734 | 12.3 | 39 | 37.9 | 23 | 14.7 |
| Adjacent to small metro | 2,527 | 12.3 | 239 | 36.1 | 98 | 17.0 |
| Nonadjacent with city | 1,506 | 13.3 | 161 | 39.4 | 81 | 16.8 |
| Nonadjacent without city | 1,857 | 11.8 | 116 | 36.7 | 63 | 16.2 |
| Northeast | 5,195 | 13.9 | 710 | 52.1 | 430 | 40.5 |
| Metro | 4,471 | 13.9 | 704 | 52.3 | 426 | 40.7 |
| Large | 2,716 | 13.3 | 597 | 52.3 | 366 | 41.3 |
| Small | 1,755 | 14.7 | 107 | 52.3 | 60 | 37.0 |
| Nonmetro | 724 | 14.4 | 6 | 37.7 | 5 | 21.9 |
| Adjacent to large metro | 137 | 13.3 | 2 | 41.3 | 1 | 24.6 |
| Adjacent to small metro | 392 | 14.5 | 3 | 40.9 | 3 | 21.9 |
| Nonadjacent with city | 93 | 15.1 | 1 | 21.8 | 1 | 18.4 |
| Nonadjacent without city | 103 | 14.6 | 0 | 15.2 | 0 | 18.3 |
| Midwest | 7,123 | 13.2 | 783 | 50.6 | 195 | 21.7 |
| Metro | 4,786 | 14.0 | 755 | 51.0 | 172 | 22.1 |
| Large | 2,800 | 13.8 | 600 | 51.2 | 139 | 22.1 |
| Small | 1,987 | 14.4 | 155 | 49.9 | 33 | 22.3 |
| Nonmetro | 2,337 | 11.6 | 27 | 40.0 | 23 | 18.3 |
| Adjacent to large metro | 349 | 11.7 | 6 | 38.4 | 4 | 17.0 |
| Adjacent to small metro | 833 | 11.5 | 8 | 41.8 | 9 | 18.9 |
| Nonadjacent with city | 493 | 12.9 | 10 | 39.3 | 7 | 18.4 |
| Nonadjacent without city | 662 | 10.7 | 4 | 40.5 | 4 | 17.8 |
| South | 7,723 | 13.1 | 1,871 | 41.6 | 659 | 16.9 |
| Metro | 5,080 | 13.9 | 1,359 | 43.3 | 546 | 17.3 |
| Large | 1,969 | 14.4 | 616 | 44.6 | 304 | 17.3 |
| Small | 3,111 | 13.6 | 743 | 42.2 | 241 | 17.3 |
| Nonmetro | 2,643 | 11.6 | 512 | 37.2 | 113 | 15.1 |
| Adjacent to large metro | 176 | 10.9 | 31 | 37.5 | 10 | 13.3 |
| Adjacent to small metro | 1,082 | 11.4 | 224 | 35.8 | 47 | 15.8 |
| Nonadjacent with city | 581 | 12.1 | 146 | 39.8 | 28 | 14.8 |
| Nonadjacent without city | 804 | 11.6 | 111 | 36.6 | 28 | 15.0 |
| West | 4,500 | 17.6 | 340 | 46.0 | 944 | 20.8 |
| Metro | 3,580 | 18.2 | 331 | 46.3 | 821 | 21.3 |
| Large | 2,354 | 18.7 | 282 | 47.9 | 619 | 21.6 |
| Small | 1,226 | 17.2 | 49 | 37.1 | 202 | 20.4 |
| Nonmetro | 920 | 15.0 | 8 | 31.8 | 123 | 17.3 |
| Adjacent to large metro | 72 | 16.5 | 1 | 39.9 | 8 | 13.9 |
| Adjacent to small metro | 220 | 15.3 | 3 | 33.5 | 39 | 17.8 |
| Nonadjacent with city | 340 | 15.5 | 4 | 29.3 | 46 | 17.7 |
| Nonadjacent without city | 288 | 13.8 | 1 | 32.7 | 30 | 17.1 |
| Nonmetro county type: | | | | | | |
| Farming-dependent | 936 | 10.2 | 65 | 37.0 | 58 | 15.7 |
| Mining-dependent | 513 | 11.4 | 15 | 36.2 | 42 | 13.1 |
| Manufacturing-dependent | 2,683 | 12.6 | 259 | 36.8 | 34 | 19.8 |
| Persistent low-income | 377 | 12.0 | 94 | 35.7 | 17 | 18.2 |
| Retirement-destination | 1,337 | 13.1 | 90 | 36.0 | 87 | 16.3 |

## Appendix table 11—Households and single-person households, 1980-90

| | All households | | | | | Single-person households | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1990 | | 1980 | | | 1990 | | 1980 | | |
| Area | Number | Persons per household | Number | Persons per household | Change, 1980-90 | Number | Share of all household | Number | Share of all household | Change, 1980-90 |
| | *Thousand* | *Number* | *Thousand* | *Number* | *Percent* | *Thousand* | *Percent* | *Thousand* | *-----Percent------* | |
| United States | 91,994 | 2.6 | 80,467 | 2.7 | 14.3 | 22,421 | 24.4 | 18,202 | 22.6 | 23.2 |
| Metro | 71,024 | 2.6 | 61,470 | 2.7 | 15.5 | 17,531 | 24.7 | 14,214 | 23.1 | 23.3 |
| Large | 41,820 | 2.7 | 36,559 | 2.7 | 14.4 | 10,536 | 25.2 | 8,821 | 24.1 | 19.4 |
| Small | 29,205 | 2.6 | 24,911 | 2.8 | 17.2 | 6,995 | 24.0 | 5,393 | 21.7 | 29.7 |
| Nonmetro | 20,969 | 2.6 | 18,997 | 2.8 | 10.4 | 4,890 | 23.3 | 3,988 | 21.0 | 22.6 |
| Adjacent to large metro | 2,373 | 2.6 | 2,044 | 2.8 | 16.1 | 532 | 22.4 | 423 | 20.7 | 25.8 |
| Adjacent to small metro | 8,150 | 2.6 | 7,261 | 2.8 | 12.2 | 1,852 | 22.7 | 1,491 | 20.5 | 24.2 |
| Nonadjacent with city | 4,903 | 2.6 | 4,451 | 2.8 | 10.2 | 1,177 | 24.0 | 963 | 21.6 | 22.2 |
| Nonadjacent without city | 5,543 | 2.6 | 5,242 | 2.8 | 5.8 | 1,328 | 24.0 | 1,110 | 21.2 | 19.7 |
| Northeast | 18,861 | 2.6 | 17,479 | 2.7 | 7.9 | 4,787 | 25.4 | 4,137 | 23.7 | 15.7 |
| Metro | 16,712 | 2.6 | 15,552 | 2.7 | 7.5 | 4,277 | 25.6 | 3,716 | 23.9 | 15.1 |
| Large | 10,965 | 2.6 | 10,400 | 2.7 | 5.4 | 2,884 | 26.3 | 2,569 | 24.7 | 12.3 |
| Small | 5,747 | 2.6 | 5,152 | 2.8 | 11.6 | 1,393 | 24.2 | 1,148 | 22.3 | 21.4 |
| Nonmetro | 2,149 | 2.6 | 1,927 | 2.8 | 11.5 | 511 | 23.8 | 420 | 21.8 | 21.5 |
| Adjacent to large metro | 427 | 2.6 | 378 | 2.8 | 13.1 | 102 | 23.8 | 81 | 21.4 | 25.6 |
| Adjacent to small metro | 1,156 | 2.6 | 1,042 | 2.8 | 10.9 | 274 | 23.8 | 228 | 21.9 | 20.2 |
| Nonadjacent with city | 268 | 2.6 | 239 | 2.8 | 12.0 | 63 | 23.6 | 53 | 22.0 | 20.1 |
| Nonadjacent without city | 299 | 2.6 | 269 | 2.8 | 11.4 | 71 | 23.8 | 59 | 21.8 | 21.7 |
| Midwest | 22,326 | 2.6 | 20,877 | 2.8 | 6.9 | 5,554 | 24.9 | 4,739 | 22.7 | 17.2 |
| Metro | 15,920 | 2.6 | 14,698 | 2.8 | 8.3 | 3,991 | 25.1 | 3,375 | 23.0 | 18.3 |
| Large | 9,944 | 2.6 | 9,168 | 2.8 | 8.5 | 2,512 | 25.3 | 2,138 | 23.3 | 17.5 |
| Small | 5,976 | 2.6 | 5,530 | 2.7 | 8.1 | 1,479 | 24.8 | 1,237 | 22.4 | 19.6 |
| Nonmetro | 6,406 | 2.6 | 6,180 | 2.7 | 3.7 | 1,563 | 24.4 | 1,364 | 22.1 | 14.6 |
| Adjacent to large metro | 946 | 2.7 | 888 | 2.8 | 6.6 | 215 | 22.8 | 184 | 20.8 | 16.7 |
| Adjacent to small metro | 2,233 | 2.6 | 2,141 | 2.8 | 4.3 | 521 | 23.4 | 456 | 21.3 | 14.4 |
| Nonadjacent with city | 1,391 | 2.5 | 1,335 | 2.7 | 4.2 | 355 | 25.6 | 308 | 23.1 | 15.5 |
| Nonadjacent without city | 1,836 | 2.5 | 1,817 | 2.7 | 1.1 | 471 | 25.7 | 416 | 22.9 | 13.2 |
| South | 31,836 | 2.6 | 26,507 | 2.8 | 20.1 | 7,581 | 23.8 | 5,660 | 21.4 | 34.0 |
| Metro | 22,526 | 2.6 | 18,231 | 2.7 | 23.6 | 5,465 | 24.3 | 3,996 | 21.9 | 36.8 |
| Large | 9,697 | 2.6 | 7,744 | 2.7 | 25.2 | 2,398 | 24.7 | 1,794 | 23.2 | 33.7 |
| Small | 12,828 | 2.6 | 10,487 | 2.8 | 22.3 | 3,068 | 23.9 | 2,203 | 21.0 | 39.3 |
| Nonmetro | 9,310 | 2.6 | 8,276 | 2.8 | 12.5 | 2,116 | 22.7 | 1,663 | 20.1 | 27.2 |
| Adjacent to large metro | 705 | 2.7 | 555 | 2.8 | 27.0 | 150 | 21.2 | 111 | 20.0 | 35.1 |
| Adjacent to small metro | 3,938 | 2.6 | 3,424 | 2.9 | 15.0 | 879 | 22.3 | 675 | 19.7 | 30.1 |
| Nonadjacent with city | 2,136 | 2.6 | 1,920 | 2.8 | 11.3 | 505 | 23.7 | 403 | 21.0 | 25.4 |
| Nonadjacent without city | 2,532 | 2.6 | 2,377 | 2.9 | 6.5 | 582 | 23.0 | 474 | 19.9 | 22.8 |
| West | 18,970 | 2.7 | 15,604 | 2.7 | 21.6 | 4,499 | 23.7 | 3,666 | 23.5 | 22.7 |
| Metro | 15,866 | 2.7 | 12,990 | 2.7 | 22.2 | 3,798 | 23.9 | 3,127 | 24.1 | 21.5 |
| Large | 11,213 | 2.7 | 9,247 | 2.7 | 21.3 | 2,743 | 24.5 | 2,321 | 25.1 | 18.2 |
| Small | 4,653 | 2.7 | 3,743 | 2.8 | 24.3 | 1,055 | 22.7 | 806 | 21.5 | 30.9 |
| Nonmetro | 3,104 | 2.7 | 2,614 | 2.8 | 18.7 | 701 | 22.6 | 540 | 20.6 | 29.9 |
| Adjacent to large metro | 295 | 2.6 | 224 | 2.7 | 32.1 | 66 | 22.4 | 47 | 21.1 | 40.2 |
| Adjacent to small metro | 824 | 2.7 | 654 | 2.8 | 25.9 | 178 | 21.6 | 132 | 20.2 | 34.8 |
| Nonadjacent with city | 1,109 | 2.7 | 958 | 2.8 | 15.8 | 253 | 22.8 | 199 | 20.8 | 27.0 |
| Nonadjacent without city | 876 | 2.7 | 779 | 2.8 | 12.5 | 204 | 23.3 | 161 | 20.7 | 26.5 |
| Nonmetro county type: | | | | | | | | | | |
| Farming-dependent | 2,873 | 2.6 | 2,764 | 2.8 | 4.0 | 684 | 23.8 | 597 | 21.6 | 14.6 |
| Mining-dependent | 1,358 | 2.7 | 1,328 | 2.9 | 2.2 | 300 | 22.1 | 254 | 19.1 | 18.2 |
| Manufacturing-dependent | 8,191 | 2.6 | 7,475 | 2.8 | 9.6 | 1,881 | 23.0 | 1,526 | 20.4 | 23.3 |
| Persistent low-income | 1,291 | 2.7 | 1,184 | 3.0 | 9.1 | 287 | 22.2 | 229 | 19.3 | 25.4 |
| Retirement-destination | 5,035 | 2.6 | 4,101 | 2.7 | 22.8 | 1,146 | 22.8 | 850 | 20.7 | 34.9 |

## Appendix table 12—Highest education attained by persons 25 years of age and older, 1970-90

| | 1990 | | | | 1980 | | | | 1970 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Education level: | | | | Education level: | | | | Education level: | | |
| Area | Number | LTHS | HS | COL | Number | LTHS | HS | COL | Number | LTHS | HS | COL |
| | *Thousand* | -------*Percent*------- | | | *Thousand* | -------*Percent*------- | | | *Thousand* | -------*Percent*------- | | |
| United States | 158,868 | 24.8 | 54.9 | 20.3 | 132,836 | 33.5 | 50.2 | 16.2 | 109,899 | 47.7 | 41.7 | 10.7 |
| Metro | 122,895 | 23.0 | 54.5 | 22.5 | 101,271 | 31.1 | 51.0 | 17.9 | 84,130 | 45.2 | 41.1 | 9.8 |
| Large | 73,285 | 22.4 | 53.2 | 24.4 | 60,554 | 29.9 | 51.0 | 19.1 | 51,686 | 44.0 | 41.8 | 10.7 |
| Small | 49,611 | 23.8 | 56.5 | 19.7 | 40,717 | 32.9 | 51.1 | 16.0 | 32,444 | 47.1 | 40.1 | 8.4 |
| Nonmetro | 35,973 | 30.8 | 56.2 | 13.0 | 31,565 | 41.3 | 47.7 | 11.0 | 25,769 | 55.7 | 35.7 | 5.7 |
| Adjacent to large metro | 4,156 | 27.9 | 58.8 | 13.4 | 3,447 | 38.4 | 50.4 | 11.2 | 2,720 | 52.8 | 38.2 | 5.7 |
| Adjacent to small metro | 14,105 | 31.0 | 56.4 | 12.6 | 12,175 | 42.0 | 47.5 | 10.5 | 9,862 | 56.2 | 35.5 | 5.5 |
| Nonadjacent with city | 8,203 | 28.3 | 56.1 | 15.6 | 7,181 | 37.7 | 49.0 | 13.3 | 5,810 | 51.8 | 37.5 | 7.1 |
| Nonadjacent without city | 9,510 | 33.9 | 54.9 | 11.2 | 8,762 | 44.5 | 45.9 | 9.6 | 7,377 | 59.1 | 33.7 | 5.0 |
| Northeast | 33,545 | 23.8 | 53.4 | 22.8 | 29,903 | 32.9 | 49.9 | 17.2 | 27,685 | 47.1 | 41.1 | 10.3 |
| Metro | 29,812 | 23.8 | 52.6 | 23.6 | 26,636 | 32.8 | 49.5 | 17.7 | 24,934 | 47.0 | 40.9 | 10.8 |
| Large | 19,744 | 23.7 | 51.2 | 25.1 | 17,865 | 32.3 | 49.0 | 18.7 | 17,161 | 46.5 | 41.1 | 11.6 |
| Small | 10,069 | 23.9 | 55.4 | 20.7 | 8,771 | 33.8 | 50.6 | 15.7 | 7,774 | 48.1 | 40.7 | 9.0 |
| Nonmetro | 3,732 | 24.0 | 59.4 | 16.7 | 3,267 | 33.9 | 52.8 | 13.3 | 2,751 | 47.6 | 42.6 | 7.0 |
| Adjacent to large metro | 753 | 22.6 | 59.5 | 17.8 | 649 | 32.2 | 53.9 | 13.9 | 522 | 47.4 | 42.0 | 7.0 |
| Adjacent to small metro | 2,009 | 24.5 | 59.6 | 15.9 | 1,771 | 34.8 | 52.6 | 12.6 | 1,507 | 47.9 | 42.9 | 6.7 |
| Nonadjacent with city | 455 | 23.5 | 57.5 | 19.0 | 394 | 33.1 | 51.1 | 15.7 | 342 | 45.7 | 42.4 | 9.1 |
| Nonadjacent without city | 516 | 24.2 | 59.7 | 16.1 | 453 | 33.7 | 53.2 | 13.1 | 380 | 48.2 | 42.7 | 6.4 |
| Midwest | 37,873 | 22.9 | 58.7 | 18.4 | 34,085 | 32.0 | 53.2 | 14.7 | 30,292 | 46.3 | 43.0 | 8.5 |
| Metro | 26,964 | 21.5 | 57.6 | 20.9 | 23,908 | 30.4 | 53.1 | 16.5 | 21,364 | 44.8 | 43.2 | 9.7 |
| Large | 17,060 | 21.9 | 56.0 | 22.1 | 15,074 | 31.1 | 51.8 | 17.1 | 13,684 | 45.6 | 42.4 | 10.0 |
| Small | 9,904 | 20.6 | 60.5 | 18.9 | 8,834 | 29.2 | 55.2 | 15.6 | 7,680 | 43.6 | 44.7 | 9.0 |
| Nonmetro | 10,909 | 26.3 | 61.5 | 12.2 | 10,177 | 35.9 | 53.6 | 10.5 | 8,928 | 49.8 | 42.3 | 5.9 |
| Adjacent to large metro | 1,645 | 27.3 | 61.3 | 11.3 | 1,485 | 37.1 | 52.9 | 10.0 | 1,277 | 50.7 | 41.7 | 5.6 |
| Adjacent to small metro | 3,842 | 25.7 | 62.6 | 11.7 | 3,555 | 35.3 | 54.8 | 10.0 | 3,097 | 49.0 | 43.4 | 5.6 |
| Nonadjacent with city | 2,290 | 24.1 | 60.6 | 15.2 | 2,117 | 33.0 | 53.8 | 13.2 | 1,833 | 46.6 | 43.3 | 7.5 |
| Nonadjacent without city | 3,132 | 28.1 | 60.8 | 11.1 | 3,020 | 38.1 | 52.3 | 9.6 | 2,721 | 52.3 | 40.8 | 5.4 |
| South | 54,336 | 28.7 | 52.5 | 18.7 | 43,691 | 39.8 | 45.3 | 15.0 | 33,331 | 54.9 | 33.0 | 7.5 |
| Metro | 38,332 | 24.9 | 53.4 | 21.7 | 29,803 | 34.7 | 47.9 | 17.5 | 22,248 | 49.7 | 35.9 | 8.6 |
| Large | 16,682 | 23.1 | 52.1 | 24.8 | 12,688 | 31.7 | 48.3 | 20.0 | 9,370 | 47.3 | 36.4 | 9.7 |
| Small | 21,651 | 26.3 | 54.3 | 19.4 | 17,115 | 36.9 | 47.5 | 15.6 | 12,879 | 51.4 | 35.6 | 7.8 |
| Nonmetro | 16,003 | 37.9 | 50.6 | 11.5 | 13,888 | 50.8 | 39.6 | 9.6 | 11,083 | 65.4 | 27.0 | 4.9 |
| Adjacent to large metro | 1,243 | 34.2 | 53.3 | 12.5 | 943 | 48.4 | 41.3 | 10.3 | 684 | 63.4 | 27.6 | 5.0 |
| Adjacent to small metro | 6,815 | 37.4 | 51.2 | 11.4 | 5,784 | 50.6 | 39.9 | 9.5 | 4,541 | 65.7 | 26.7 | 4.8 |
| Nonadjacent with city | 3,592 | 34.4 | 51.5 | 14.1 | 3,145 | 46.2 | 42.2 | 11.6 | 2,538 | 60.2 | 30.5 | 6.2 |
| Nonadjacent without city | 4,354 | 42.7 | 48.0 | 9.3 | 4,016 | 55.1 | 36.9 | 7.9 | 3,320 | 69.5 | 24.5 | 4.1 |
| West | 33,115 | 21.4 | 55.9 | 22.7 | 25,157 | 25.5 | 55.3 | 19.3 | 18,591 | 37.7 | 45.1 | 9.7 |
| Metro | 27,787 | 21.1 | 55.1 | 23.9 | 20,924 | 24.8 | 55.1 | 20.2 | 15,583 | 36.4 | 45.7 | 10.3 |
| Large | 19,799 | 21.1 | 53.6 | 25.3 | 14,928 | 24.3 | 54.7 | 21.0 | 11,472 | 35.8 | 46.1 | 11.0 |
| Small | 7,987 | 20.9 | 58.7 | 20.4 | 5,997 | 25.8 | 56.1 | 18.0 | 4,111 | 38.2 | 44.6 | 8.6 |
| Nonmetro | 5,329 | 23.4 | 60.2 | 16.4 | 4,233 | 29.0 | 56.2 | 14.8 | 3,008 | 44.7 | 41.9 | 6.9 |
| Adjacent to large metro | 516 | 22.1 | 62.5 | 15.3 | 370 | 29.0 | 57.6 | 13.5 | 238 | 44.8 | 41.6 | 5.9 |
| Adjacent to small metro | 1,439 | 23.7 | 60.1 | 16.2 | 1,066 | 29.4 | 56.1 | 14.5 | 717 | 44.0 | 41.8 | 6.7 |
| Nonadjacent with city | 1,866 | 22.8 | 59.3 | 17.9 | 1,525 | 28.0 | 56.0 | 16.0 | 1,097 | 42.9 | 42.5 | 7.8 |
| Nonadjacent without city | 1,508 | 24.2 | 60.6 | 15.2 | 1,273 | 30.1 | 56.0 | 13.9 | 956 | 47.1 | 41.6 | 6.3 |
| Nonmetro county type: | | | | | | | | | | | | |
| Farming-dependent | 4,976 | 32.9 | 56.4 | 10.8 | 4,628 | 42.8 | 47.8 | 9.4 | 4,093 | 56.1 | 36.9 | 5.3 |
| Mining-dependent | 2,328 | 36.1 | 53.3 | 10.6 | 2,186 | 46.0 | 44.6 | 9.4 | 1,750 | 61.0 | 31.5 | 4.8 |
| Manufacturing-dependent | 14,083 | 32.2 | 56.1 | 11.7 | 12,535 | 43.0 | 47.1 | 9.8 | 10,405 | 56.8 | 35.5 | 5.3 |
| Persistent low-income | 2,238 | 45.5 | 45.9 | 8.6 | 2,023 | 57.8 | 34.8 | 7.4 | 1,657 | 72.8 | 21.6 | 3.9 |
| Retirement-destination | 8,744 | 30.2 | 56.1 | 13.7 | 6,895 | 41.2 | 47.5 | 11.3 | 4,841 | 57.3 | 33.0 | 5.0 |

Note: LTHS means completion of less than a high school diploma or GED in 1990 and less than 12 years of schooling in 1980 and 1970. HS means completion of a high school diploma or GED but less than a 4-year college degree in 1990 and 12 to 15 years of schooling in 1980 and 1970. COL means attainment of an undergraduate or higher degree in 1990 and 16 or more years of schooling completed in 1980 and 1970.

## Appendix table 13—Highest education attained by Whites 25 years of age and older, 1970-90

| Area | 1990 | | | | 1980 | | | | 1970 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Education level: | | | | Education level: | | | | Education level: | | |
| | Number | LTHS | HS | COL | Number | LTHS | HS | COL | Number | LTHS | HS | COL |
| | *Thousand* | -------*Percent*------- | | | *Thousand* | -------*Percent*------- | | | *Thousand* | -------*Percent*------- | | |
| United States | 132,023 | 22.1 | 56.4 | 21.5 | 114,118 | 31.2 | 51.7 | 17.1 | 98,246 | 45.5 | 43.3 | 11.3 |
| Metro | 99,926 | 20.0 | 55.9 | 24.1 | 85,801 | 28.6 | 52.4 | 19.0 | 74,730 | 43.0 | 44.5 | 12.5 |
| Large | 57,239 | 18.9 | 54.6 | 26.5 | 49,952 | 27.1 | 52.3 | 20.6 | 45,334 | 41.8 | 44.8 | 13.4 |
| Small | 42,686 | 21.6 | 57.6 | 20.8 | 35,849 | 30.8 | 52.5 | 16.7 | 29,396 | 44.9 | 44.0 | 11.1 |
| Nonmetro | 32,097 | 28.5 | 57.8 | 13.7 | 28,317 | 38.9 | 49.5 | 11.5 | 23,515 | 53.2 | 39.4 | 7.4 |
| Adjacent to large metro | 3,861 | 26.3 | 59.8 | 13.8 | 3,228 | 36.8 | 51.6 | 11.5 | 2,569 | 51.2 | 41.3 | 7.5 |
| Adjacent to small metro | 12,574 | 28.7 | 58.1 | 13.2 | 10,914 | 39.5 | 49.4 | 11.0 | 8,965 | 53.6 | 39.3 | 7.1 |
| Nonadjacent with city | 7,100 | 25.5 | 57.8 | 16.7 | 6,334 | 34.8 | 51.1 | 14.1 | 5,215 | 48.8 | 41.9 | 9.3 |
| Nonadjacent without city | 8,561 | 31.9 | 56.3 | 11.8 | 7,841 | 42.3 | 47.5 | 10.1 | 6,765 | 56.9 | 36.9 | 6.2 |
| Northeast | 28,551 | 21.6 | 54.5 | 23.9 | 26,454 | 31.3 | 50.7 | 18.0 | 25,400 | 45.8 | 42.5 | 11.7 |
| Metro | 24,903 | 21.3 | 53.7 | 25.0 | 23,235 | 31.0 | 50.4 | 18.7 | 22,678 | 45.6 | 42.3 | 12.1 |
| Large | 15,559 | 20.4 | 52.3 | 27.3 | 14,911 | 29.8 | 50.0 | 20.2 | 15,183 | 44.6 | 42.4 | 12.9 |
| Small | 9,344 | 22.9 | 56.0 | 21.1 | 8,323 | 33.0 | 51.1 | 15.9 | 7,494 | 47.5 | 42.2 | 10.3 |
| Nonmetro | 3,648 | 23.7 | 59.6 | 16.7 | 3,219 | 33.8 | 52.9 | 13.3 | 2,722 | 47.4 | 44.2 | 8.3 |
| Adjacent to large metro | 731 | 22.2 | 59.9 | 18.0 | 636 | 31.9 | 54.1 | 13.9 | 513 | 47.2 | 44.1 | 8.7 |
| Adjacent to small metro | 1,970 | 24.3 | 59.8 | 15.9 | 1,747 | 34.7 | 52.8 | 12.6 | 1,492 | 47.8 | 44.3 | 7.9 |
| Nonadjacent with city | 438 | 23.4 | 57.8 | 18.8 | 387 | 33.1 | 51.4 | 15.5 | 338 | 45.7 | 43.9 | 10.4 |
| Nonadjacent without city | 508 | 24.1 | 59.9 | 16.1 | 449 | 33.7 | 53.3 | 13.0 | 378 | 48.0 | 44.3 | 7.6 |
| Midwest | 33,752 | 21.4 | 59.6 | 19.0 | 30,796 | 30.7 | 54.1 | 15.2 | 28,039 | 45.0 | 45.0 | 10.0 |
| Metro | 23,148 | 19.3 | 58.7 | 22.0 | 20,916 | 28.4 | 54.2 | 17.3 | 19,243 | 43.0 | 45.6 | 11.4 |
| Large | 14,006 | 19.1 | 57.1 | 23.9 | 12,661 | 28.6 | 53.1 | 18.3 | 11,948 | 43.2 | 44.8 | 11.9 |
| Small | 9,142 | 19.6 | 61.1 | 19.3 | 8,255 | 28.2 | 55.9 | 15.9 | 7,295 | 42.5 | 46.9 | 10.6 |
| Nonmetro | 10,603 | 26.0 | 61.8 | 12.3 | 9,880 | 35.5 | 53.9 | 10.6 | 8,796 | 49.5 | 43.7 | 6.8 |
| Adjacent to large metro | 1,597 | 27.0 | 61.7 | 11.4 | 1,452 | 36.7 | 53.2 | 10.0 | 1,256 | 50.5 | 42.9 | 6.6 |
| Adjacent to small metro | 3,751 | 25.4 | 62.9 | 11.7 | 3,493 | 35.0 | 55.0 | 10.0 | 3,061 | 48.8 | 44.7 | 6.5 |
| Nonadjacent with city | 2,202 | 23.7 | 61.0 | 15.3 | 2,057 | 32.6 | 54.1 | 13.3 | 1,797 | 46.3 | 45.0 | 8.7 |
| Nonadjacent without city | 3,053 | 27.8 | 61.0 | 11.2 | 2,878 | 37.7 | 52.6 | 9.7 | 2,682 | 52.0 | 42.0 | 6.0 |
| South | 43,479 | 25.6 | 54.0 | 20.4 | 35,656 | 36.5 | 47.2 | 16.3 | 27,789 | 50.9 | 38.3 | 10.8 |
| Metro | 30,295 | 21.7 | 54.5 | 23.8 | 24,214 | 31.3 | 49.6 | 19.1 | 18,606 | 45.7 | 41.6 | 12.8 |
| Large | 12,659 | 19.3 | 53.1 | 27.6 | 10,080 | 28.1 | 49.8 | 22.1 | 7,761 | 43.4 | 42.0 | 14.7 |
| Small | 17,636 | 23.4 | 55.6 | 21.1 | 14,135 | 33.6 | 49.5 | 16.9 | 10,845 | 47.3 | 41.3 | 11.4 |
| Nonmetro | 13,184 | 34.8 | 52.6 | 12.6 | 11,442 | 47.5 | 42.0 | 10.5 | 9,183 | 61.7 | 31.5 | 6.8 |
| Adjacent to large metro | 1,054 | 31.0 | 55.4 | 13.6 | 794 | 45.1 | 43.6 | 11.3 | 569 | 59.5 | 32.8 | 7.7 |
| Adjacent to small metro | 5,574 | 34.1 | 53.4 | 12.5 | 4,700 | 47.2 | 42.4 | 10.4 | 3,720 | 61.9 | 31.4 | 6.7 |
| Nonadjacent with city | 2,872 | 30.5 | 53.6 | 15.9 | 2,557 | 42.1 | 45.0 | 12.9 | 2,073 | 55.3 | 36.2 | 8.6 |
| Nonadjacent without city | 3,683 | 40.1 | 49.8 | 10.1 | 3,391 | 52.5 | 39.0 | 8.5 | 2,822 | 66.5 | 28.1 | 5.4 |
| West | 26,242 | 17.6 | 58.2 | 24.2 | 21,212 | 22.8 | 56.9 | 20.2 | 17,018 | 36.7 | 49.7 | 13.5 |
| Metro | 21,580 | 17.0 | 57.4 | 25.6 | 17,436 | 22.1 | 56.7 | 21.2 | 14,203 | 35.5 | 50.3 | 14.2 |
| Large | 15,016 | 16.7 | 56.1 | 27.2 | 12,300 | 21.5 | 56.3 | 22.1 | 10,442 | 34.8 | 50.5 | 14.7 |
| Small | 6,564 | 17.6 | 60.5 | 21.9 | 5,136 | 23.4 | 57.6 | 19.0 | 3,762 | 37.4 | 49.8 | 12.8 |
| Nonmetro | 4,662 | 20.6 | 61.8 | 17.6 | 3,776 | 26.4 | 57.9 | 15.7 | 2,815 | 43.1 | 46.8 | 10.1 |
| Adjacent to large metro | 479 | 20.4 | 63.6 | 16.0 | 346 | 27.2 | 58.8 | 14.0 | 231 | 44.1 | 46.6 | 9.3 |
| Adjacent to small metro | 1,279 | 21.2 | 61.7 | 17.1 | 974 | 27.4 | 57.4 | 15.1 | 692 | 43.4 | 46.4 | 10.2 |
| Nonadjacent with city | 1,587 | 19.7 | 60.9 | 19.4 | 1,333 | 24.8 | 58.0 | 17.2 | 1,008 | 41.0 | 47.6 | 11.4 |
| Nonadjacent without city | 1,317 | 21.2 | 62.3 | 16.6 | 1,123 | 27.0 | 58.0 | 15.0 | 884 | 44.9 | 46.2 | 8.9 |
| Nonmetro county type: | | | | | | | | | | | | |
| Farming-dependent | 4,464 | 30.1 | 58.5 | 11.4 | 4,126 | 40.2 | 49.9 | 9.9 | 3,800 | 53.9 | 39.9 | 6.2 |
| Mining-dependent | 2,135 | 34.9 | 54.1 | 11.0 | 2,013 | 44.7 | 45.6 | 9.8 | 1,662 | 60.0 | 33.8 | 6.2 |
| Manufacturing-dependent | 12,621 | 30.0 | 57.7 | 12.3 | 11,301 | 40.8 | 48.9 | 10.3 | 9,459 | 54.2 | 39.0 | 6.7 |
| Persistent low-income | 1,711 | 42.2 | 48.2 | 9.5 | 1,492 | 54.2 | 37.6 | 8.2 | 1,266 | 68.2 | 26.4 | 5.3 |
| Retirement-destination | 7,960 | 28.4 | 57.2 | 14.4 | 6,321 | 39.4 | 48.7 | 11.9 | 4,475 | 55.5 | 37.1 | 7.4 |

Note: LTHS means completion of less than a high school diploma or GED in 1990 and less than 12 years of schooling in 1980 and 1970. HS means completion of a high school diploma or GED but less than a 4-year college degree in 1990 and 12 to 15 years of schooling in 1980 and 1970. COL means attainment of an undergraduate or higher degree in 1990 and 16 or more years of schooling completed in 1980 and 1970.

## Appendix table 14—Highest education attained by Blacks 25 years of age and older, 1970-90

| Area | 1990 | | | | 1980 | | | | 1970 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Education level: | | | | Education level: | | | | Education level: | | |
| | Number | LTHS | HS | COL | Number | LTHS | HS | COL | Number | LTHS | HS | COL |
| | Thousand | -------Percent------- | | | Thousand | -------Percent------- | | | Thousand | -------Percent------- | | |
| United States | 16,761 | 36.9 | 51.7 | 11.4 | 13,115 | 48.7 | 42.9 | 8.4 | 10,370 | 68.6 | 27.0 | 4.4 |
| Metro | 14,087 | 34.2 | 53.5 | 12.4 | 10,898 | 45.2 | 45.7 | 9.0 | 8,396 | 65.2 | 30.2 | 4.7 |
| Large | 9,502 | 32.6 | 54.3 | 13.1 | 7,366 | 42.7 | 48.0 | 9.3 | 5,722 | 62.2 | 33.1 | 4.7 |
| Small | 4,586 | 37.4 | 51.8 | 10.8 | 3,532 | 50.6 | 41.0 | 8.4 | 2,674 | 71.6 | 23.9 | 4.5 |
| Nonmetro | 2,674 | 51.5 | 42.4 | 6.1 | 2,217 | 65.8 | 29.0 | 5.2 | 1,975 | 83.0 | 13.7 | 3.3 |
| Adjacent to large metro | 207 | 48.8 | 45.2 | 6.0 | 159 | 63.2 | 32.2 | 4.7 | 140 | 80.2 | 16.9 | 2.9 |
| Adjacent to small metro | 1,144 | 51.6 | 42.5 | 5.9 | 956 | 65.5 | 29.3 | 5.2 | 834 | 82.8 | 13.9 | 3.4 |
| Nonadjacent with city | 705 | 48.0 | 44.8 | 7.2 | 588 | 63.0 | 30.9 | 6.1 | 498 | 81.1 | 15.2 | 3.6 |
| Nonadjacent without city | 618 | 56.1 | 38.7 | 5.1 | 515 | 70.4 | 25.2 | 4.4 | 502 | 86.0 | 11.2 | 2.8 |
| Northeast | 3,272 | 34.7 | 52.8 | 12.5 | 2,545 | 43.6 | 48.1 | 8.4 | 2,114 | 62.2 | 33.7 | 4.1 |
| Metro | 3,227 | 34.7 | 52.8 | 12.5 | 2,520 | 43.5 | 48.1 | 8.4 | 2,092 | 62.2 | 33.8 | 4.1 |
| Large | 2,767 | 34.5 | 52.8 | 12.8 | 2,194 | 43.0 | 48.5 | 8.5 | 1,839 | 61.7 | 34.2 | 4.1 |
| Small | 460 | 35.9 | 53.1 | 10.9 | 326 | 47.1 | 45.2 | 7.7 | 253 | 65.3 | 30.8 | 3.9 |
| Nonmetro | 45 | 36.4 | 52.8 | 10.7 | 26 | 44.0 | 46.6 | 9.4 | 22 | 65.0 | 30.6 | 4.4 |
| Adjacent to large metro | 12 | 39.5 | 50.8 | 9.6 | 8 | 45.4 | 45.6 | 9.0 | 7 | 65.4 | 31.2 | 3.4 |
| Adjacent to small metro | 22 | 38.0 | 51.6 | 10.5 | 14 | 46.5 | 46.2 | 7.2 | 12 | 67.4 | 28.3 | 4.2 |
| Nonadjacent with city | 9 | 28.0 | 59.5 | 12.6 | 3 | 31.8 | 49.0 | 19.1 | 3 | 51.6 | 40.5 | 7.9 |
| Nonadjacent without city | 3 | 37.5 | 50.6 | 11.9 | * | * | * | * | * | * | * | * |
| Midwest | 3,148 | 34.7 | 54.9 | 10.4 | 2,621 | 45.1 | 47.1 | 7.9 | 2,103 | 63.5 | 32.5 | 4.0 |
| Metro | 3,007 | 34.5 | 54.9 | 10.6 | 2,517 | 44.8 | 47.3 | 7.9 | 2,014 | 63.2 | 32.7 | 4.1 |
| Large | 2,429 | 34.7 | 54.6 | 10.8 | 2,049 | 44.9 | 47.2 | 7.9 | 1,659 | 62.8 | 33.1 | 4.1 |
| Small | 579 | 33.9 | 56.3 | 9.8 | 467 | 44.4 | 47.4 | 8.2 | 355 | 65.5 | 30.7 | 3.8 |
| Nonmetro | 141 | 38.9 | 53.8 | 7.3 | 104 | 51.8 | 42.0 | 6.2 | 89 | 69.6 | 27.1 | 3.3 |
| Adjacent to large metro | 32 | 40.8 | 53.6 | 5.6 | 23 | 52.2 | 43.3 | 4.5 | 19 | 68.8 | 28.8 | 2.5 |
| Adjacent to small metro | 45 | 40.3 | 52.2 | 7.4 | 33 | 51.6 | 41.7 | 6.7 | 27 | 68.3 | 27.8 | 3.8 |
| Nonadjacent with city | 42 | 34.4 | 56.6 | 9.0 | 33 | 48.0 | 44.4 | 7.6 | 28 | 67.5 | 28.8 | 3.7 |
| Nonadjacent without city | 21 | 41.9 | 51.8 | 6.3 | 16 | 59.4 | 35.7 | 4.9 | 15 | 76.8 | 20.5 | 2.8 |
| South | 8,742 | 40.9 | 48.4 | 10.7 | 6,807 | 55.0 | 37.0 | 8.1 | 5,375 | 75.6 | 20.0 | 4.4 |
| Metro | 6,306 | 36.3 | 51.2 | 12.5 | 4,750 | 49.7 | 40.9 | 9.4 | 3,535 | 71.1 | 23.8 | 5.1 |
| Large | 2,998 | 33.0 | 52.5 | 14.4 | 2,154 | 45.6 | 43.9 | 10.5 | 1,556 | 67.3 | 27.2 | 5.6 |
| Small | 3,308 | 39.3 | 49.9 | 10.8 | 2,596 | 53.1 | 38.4 | 8.5 | 1,979 | 74.2 | 21.1 | 4.7 |
| Nonmetro | 2,436 | 53.0 | 41.2 | 5.8 | 2,058 | 67.1 | 27.8 | 5.1 | 1,840 | 84.1 | 12.7 | 3.2 |
| Adjacent to large metro | 158 | 51.6 | 42.7 | 5.7 | 125 | 66.5 | 29.1 | 4.4 | 113 | 82.9 | 14.1 | 3.0 |
| Adjacent to small metro | 1,053 | 52.8 | 41.5 | 5.7 | 897 | 66.6 | 28.3 | 5.1 | 786 | 83.7 | 12.9 | 3.3 |
| Nonadjacent with city | 636 | 49.8 | 43.3 | 6.9 | 539 | 64.6 | 29.6 | 5.8 | 457 | 82.5 | 13.9 | 3.6 |
| Nonadjacent without city | 588 | 57.0 | 38.0 | 5.0 | 496 | 71.0 | 24.7 | 4.4 | 483 | 86.5 | 10.7 | 2.8 |
| West | 1,599 | 23.8 | 61.4 | 14.8 | 1,142 | 31.3 | 57.3 | 11.4 | 778 | 51.1 | 43.0 | 5.9 |
| Metro | 1,547 | 23.6 | 61.5 | 14.9 | 1,112 | 31.0 | 57.6 | 11.4 | 755 | 50.7 | 43.3 | 5.9 |
| Large | 1,308 | 23.7 | 60.9 | 15.4 | 969 | 30.8 | 57.5 | 11.7 | 668 | 50.0 | 43.9 | 6.1 |
| Small | 239 | 23.2 | 64.4 | 12.5 | 143 | 32.4 | 57.8 | 9.8 | 87 | 56.3 | 38.7 | 5.0 |
| Nonmetro | 52 | 29.8 | 60.2 | 10.0 | 30 | 41.4 | 49.7 | 8.9 | 24 | 64.8 | 30.8 | 4.4 |
| Adjacent to large metro | 4 | 31.7 | 58.1 | 10.2 | 2 | 51.4 | 43.5 | 5.1 | 2 | 77.2 | 20.1 | 2.7 |
| Adjacent to small metro | 24 | 31.2 | 60.8 | 8.0 | 12 | 40.7 | 50.8 | 8.5 | 9 | 62.5 | 33.4 | 4.0 |
| Nonadjacent with city | 18 | 27.6 | 60.0 | 12.4 | 13 | 41.1 | 48.7 | 10.2 | 11 | 65.5 | 30.3 | 4.2 |
| Nonadjacent without city | 6 | 29.4 | 60.4 | 10.2 | 3 | 38.1 | 54.8 | 7.1 | 3 | 62.3 | 30.6 | 7.1 |
| Nonmetro county type: | | | | | | | | | | | | |
| Farming-dependent | 326 | 57.1 | 38.1 | 4.9 | 273 | 71.3 | 24.6 | 4.1 | 268 | 86.6 | 10.9 | 2.6 |
| Mining-dependent | 68 | 49.2 | 45.5 | 5.3 | 62 | 63.1 | 32.0 | 4.9 | 60 | 81.9 | 15.4 | 2.6 |
| Manufacturing-dependent | 1,263 | 52.1 | 42.4 | 5.5 | 1,044 | 65.5 | 29.7 | 4.8 | 904 | 83.0 | 13.8 | 3.1 |
| Persistent low-income | 467 | 57.6 | 37.1 | 5.3 | 394 | 71.7 | 23.7 | 4.7 | 373 | 87.9 | 9.3 | 2.9 |
| Retirement-destination | 463 | 48.6 | 45.4 | 6.0 | 358 | 63.1 | 31.9 | 5.0 | 318 | 80.7 | 16.0 | 3.2 |

* = Fewer than 1,000 persons.

Note: LTHS means completion of less than a high school diploma or GED in 1990 and less than 12 years of schooling in 1980 and 1970. HS means completion of a high school diploma or GED but less than a 4-year college degree in 1990 and 12 to 15 years of schooling in 1980 and 1970. COL means attainment of an undergraduate or higher degree in 1990 and 16 or more years of schooling completed in 1980 and 1970

## Appendix table 15—Highest education attained by Hispanics 25 years of age and older, 1980-90

| | 1990 | | | | 1980 | | | | 1970 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Education level: | | | | Education level: | | | | Education level: | | |
| Area | Number | LTHS | HS | COL | Number | LTHS | HS | COL | Number | LTHS | HS | COL |
| | *Thousand* | -------*Percent*------- | | | *Thousand* | -------*Percent*------- | | | *Thousand* | -------*Percent*------- | | |
| United States | 11,227 | 50.2 | 40.7 | 9.2 | 6,737 | 56.0 | 36.3 | 7.6 | 3,934 | 64.0 | 30.0 | 6.0 |
| Metro | 10,107 | 49.8 | 40.7 | 9.5 | 5,953 | 55.1 | 36.9 | 8.0 | 3,420 | 62.9 | 30.9 | 6.2 |
| Large | 7,555 | 50.3 | 40.1 | 9.6 | 4,421 | 54.6 | 37.2 | 8.2 | 2,517 | 62.0 | 31.8 | 6.2 |
| Small | 2,552 | 48.3 | 42.5 | 9.2 | 1,531 | 56.6 | 36.0 | 7.4 | 903 | 65.2 | 28.5 | 6.3 |
| Nonmetro | 1,119 | 53.6 | 40.2 | 6.2 | 784 | 62.9 | 32.0 | 5.1 | 514 | 71.7 | 23.7 | 4.6 |
| Adjacent to large metro | 112 | 52.8 | 41.6 | 5.6 | 69 | 63.3 | 31.8 | 4.8 | 47 | 71.9 | 23.5 | 4.6 |
| Adjacent to small metro | 432 | 53.4 | 40.0 | 6.7 | 294 | 63.3 | 31.3 | 5.4 | 185 | 71.6 | 23.6 | 4.8 |
| Nonadjacent with city | 331 | 53.5 | 39.9 | 6.6 | 228 | 61.2 | 33.4 | 5.4 | 144 | 69.5 | 25.7 | 4.9 |
| Nonadjacent without city | 244 | 54.5 | 40.3 | 5.3 | 192 | 64.0 | 31.4 | 4.6 | 138 | 74.2 | 21.9 | 3.9 |
| Northeast | 1,992 | 48.4 | 41.4 | 10.2 | 1,272 | 57.2 | 35.2 | 7.6 | 499 | 76.1 | 21.1 | 2.8 |
| Metro | 1,960 | 48.6 | 41.3 | 10.2 | 1,254 | 57.3 | 35.1 | 7.6 | 492 | 76.4 | 20.9 | 2.7 |
| Large | 1,667 | 48.6 | 41.3 | 10.1 | 1,101 | 57.1 | 35.4 | 7.5 | 440 | 77.4 | 20.4 | 2.1 |
| Small | 294 | 48.1 | 41.5 | 10.4 | 153 | 58.7 | 33.3 | 8.1 | 53 | 67.9 | 24.8 | 7.3 |
| Nonmetro | 32 | 38.1 | 47.2 | 14.6 | 18 | 47.0 | 40.0 | 13.0 | 7 | 55.7 | 32.8 | 11.5 |
| Adjacent to large metro | 9 | 43.8 | 43.6 | 12.6 | 5 | 53.5 | 36.1 | 10.4 | 2 | 64.8 | 27.5 | 7.8 |
| Adjacent to small metro | 16 | 35.8 | 49.7 | 14.6 | 10 | 46.3 | 42.5 | 11.2 | 3 | 53.7 | 35.5 | 10.8 |
| Nonadjacent with city | 5 | 36.1 | 46.2 | 17.7 | 2 | 40.0 | 38.4 | 21.6 | 1 | 62.8 | 24.9 | 12.3 |
| Nonadjacent without city | 2 | 37.4 | 47.0 | 15.6 | 1 | 42.1 | 37.5 | 20.4 | 1 | 30.8 | 44.7 | 24.5 |
| Midwest | 789 | 47.1 | 42.9 | 10.1 | 540 | 56.3 | 35.5 | 8.2 | 333 | 60.5 | 31.0 | 8.5 |
| Metro | 699 | 47.3 | 42.3 | 10.4 | 474 | 56.4 | 35.2 | 8.4 | 294 | 60.6 | 30.8 | 8.6 |
| Large | 575 | 49.6 | 40.5 | 9.9 | 384 | 58.3 | 33.7 | 7.9 | 233 | 62.5 | 29.6 | 7.9 |
| Small | 124 | 36.4 | 50.6 | 13.0 | 90 | 48.0 | 41.4 | 10.6 | 61 | 53.7 | 35.1 | 11.2 |
| Nonmetro | 90 | 45.2 | 47.5 | 7.3 | 66 | 55.5 | 37.8 | 6.7 | 39 | 59.2 | 32.7 | 8.0 |
| Adjacent to large metro | 13 | 46.6 | 46.1 | 7.3 | 11 | 58.9 | 34.4 | 6.7 | 6 | 61.1 | 31.0 | 7.9 |
| Adjacent to small metro | 32 | 45.8 | 47.5 | 6.7 | 25 | 57.5 | 36.6 | 5.9 | 14 | 62.2 | 30.0 | 7.9 |
| Nonadjacent with city | 28 | 45.3 | 46.4 | 8.4 | 19 | 51.9 | 40.1 | 8.0 | 12 | 56.4 | 35.5 | 8.1 |
| Nonadjacent without city | 17 | 42.6 | 50.4 | 7.0 | 12 | 54.3 | 39.4 | 6.3 | 7 | 56.5 | 35.3 | 8.2 |
| South | 3,553 | 49.2 | 40.1 | 10.8 | 2,132 | 57.0 | 34.2 | 8.8 | 1,227 | 66.0 | 26.7 | 7.3 |
| Metro | 3,101 | 47.4 | 41.0 | 11.5 | 1,786 | 54.1 | 36.2 | 9.7 | 1,024 | 63.4 | 28.7 | 7.9 |
| Large | 1,936 | 46.7 | 41.0 | 12.3 | 1,065 | 50.8 | 38.2 | 11.0 | 600 | 60.4 | 31.0 | 8.7 |
| Small | 1,165 | 48.6 | 41.2 | 10.2 | 721 | 59.0 | 33.2 | 7.8 | 425 | 67.8 | 25.5 | 6.7 |
| Nonmetro | 451 | 61.0 | 33.5 | 5.5 | 346 | 72.1 | 23.6 | 4.3 | 203 | 78.9 | 16.7 | 4.4 |
| Adjacent to large metro | 51 | 58.8 | 36.7 | 4.5 | 31 | 70.1 | 26.2 | 3.7 | 21 | 78.6 | 17.2 | 4.2 |
| Adjacent to small metro | 193 | 60.1 | 33.9 | 6.0 | 145 | 72.2 | 23.3 | 4.5 | 83 | 79.2 | 16.1 | 4.7 |
| Nonadjacent with city | 110 | 59.7 | 34.2 | 6.2 | 82 | 68.9 | 25.9 | 5.2 | 46 | 73.2 | 21.5 | 5.3 |
| Nonadjacent without city | 97 | 65.4 | 30.4 | 4.2 | 88 | 75.8 | 21.1 | 3.2 | 53 | 83.7 | 13.1 | 3.2 |
| West | 4,893 | 52.2 | 40.4 | 7.4 | 2,793 | 54.7 | 38.7 | 6.6 | 1,875 | 60.1 | 34.3 | 5.6 |
| Metro | 4,347 | 52.5 | 40.0 | 7.6 | 2,440 | 54.5 | 38.7 | 6.8 | 1,610 | 58.8 | 35.4 | 5.8 |
| Large | 3,377 | 53.3 | 39.0 | 7.7 | 1,871 | 54.6 | 38.4 | 7.0 | 1,245 | 57.3 | 36.5 | 6.2 |
| Small | 970 | 49.5 | 43.4 | 7.1 | 568 | 54.4 | 39.3 | 6.3 | 365 | 63.8 | 31.5 | 4.7 |
| Nonmetro | 546 | 49.8 | 44.1 | 6.2 | 354 | 56.0 | 38.7 | 5.3 | 265 | 68.5 | 27.5 | 4.0 |
| Adjacent to large metro | 39 | 49.1 | 45.9 | 5.0 | 23 | 58.3 | 37.2 | 4.4 | 18 | 68.8 | 27.6 | 3.6 |
| Adjacent to small metro | 191 | 49.3 | 44.0 | 6.8 | 114 | 54.8 | 39.4 | 5.9 | 84 | 66.4 | 29.4 | 4.2 |
| Nonadjacent with city | 187 | 51.6 | 42.2 | 6.2 | 125 | 57.9 | 37.3 | 4.8 | 85 | 69.3 | 26.6 | 4.1 |
| Nonadjacent without city | 128 | 48.0 | 46.3 | 5.7 | 91 | 54.3 | 40.2 | 5.5 | 78 | 69.7 | 26.5 | 3.8 |
| Nonmetro county type: | | | | | | | | | | | | |
| Farming-dependent | 256 | 64.7 | 31.3 | 4.1 | 165 | 71.9 | 24.5 | 3.6 | 109 | 79.1 | 17.9 | 3.0 |
| Mining-dependent | 150 | 53.7 | 41.7 | 4.6 | 119 | 63.9 | 32.0 | 4.1 | 88 | 75.2 | 21.7 | 3.0 |
| Manufacturing-dependent | 129 | 49.6 | 42.4 | 8.1 | 104 | 61.4 | 32.5 | 6.1 | 45 | 60.7 | 30.9 | 8.4 |
| Persistent low-income | 63 | 52.3 | 40.6 | 7.1 | 57 | 63.6 | 30.4 | 6.1 | 35 | 72.8 | 21.6 | 5.6 |
| Retirement-destination | 425 | 54.2 | 39.5 | 6.3 | 268 | 62.4 | 32.5 | 5.1 | 177 | 70.5 | 24.9 | 4.5 |

Note: LTHS means completion of less than a high school diploma or GED in 1990 and less than 12 years of schooling in 1980 and 1970. HS means completion of a high school diploma or GED but less than a 4-year college degree in 1990 and 12 to 15 years of schooling in 1980 and 1970. COL means attainment of an undergraduate or higher degree in 1990 and 16 or more years of schooling completed in 1980 and 1970.

## Appendix table 16—Labor force by gender, 1970-90

| Area | Total | | | Men | | | Women | | |
|---|---|---|---|---|---|---|---|---|---|
| | Number 1990 | Change: 1980-90 | Change: 1970-80 | Number 1990 | Change: 1980-90 | Change: 1970-80 | Number 1990 | Change: 1980-90 | Change: 1970-80 |
| | *Thousand* | *------Percent------* | | *Thousand* | *------Percent------* | | *Thousand* | *------Percent------* | |
| United States | 125,182 | 18.0 | 29.3 | 68,509 | 11.5 | 19.2 | 56,673 | 26.9 | 46.2 |
| Metro | 99,079 | 19.7 | 28.7 | 53,995 | 13.7 | 18.6 | 45,084 | 28.0 | 45.6 |
| Large | 59,419 | 20.4 | 25.6 | 32,392 | 14.8 | 15.6 | 27,027 | 27.8 | 42.1 |
| Small | 39,660 | 18.8 | 33.6 | 21,603 | 12.0 | 23.1 | 18,057 | 28.2 | 51.2 |
| Nonmetro | 26,103 | 11.8 | 31.4 | 14,514 | 4.4 | 21.7 | 11,589 | 22.8 | 48.8 |
| Adjacent to large metro | 3,027 | 18.7 | 34.1 | 1,693 | 10.8 | 24.3 | 1,334 | 30.5 | 52.1 |
| Adjacent to small metro | 10,254 | 13.9 | 31.6 | 5,683 | 6.5 | 22.0 | 4,571 | 24.7 | 48.8 |
| Nonadjacent with city | 6,289 | 10.7 | 32.6 | 3,468 | 3.8 | 22.9 | 2,821 | 20.4 | 49.6 |
| Nonadjacent without city | 6,532 | 6.9 | 28.7 | 3,670 | -.9 | 19.3 | 2,862 | 19.0 | 46.6 |
| Northeast | 26,096 | 13.3 | 13.8 | 14,075 | 7.1 | 5.1 | 12,021 | 21.6 | 28.0 |
| Metro | 23,288 | 13.0 | 12.6 | 12,526 | 6.9 | 3.9 | 10,762 | 21.1 | 26.7 |
| Large | 15,276 | 12.0 | 9.6 | 8,193 | 5.9 | 0.7 | 7,082 | 19.9 | 23.9 |
| Small | 8,013 | 15.2 | 19.2 | 4,333 | 9.0 | 10.8 | 3,680 | 23.4 | 32.5 |
| Nonmetro | 2,808 | 15.3 | 25.0 | 1,548 | 8.0 | 16.0 | 1,259 | 25.6 | 40.6 |
| Adjacent to large metro | 545 | 16.3 | 31.2 | 303 | 8.1 | 21.5 | 242 | 28.3 | 48.8 |
| Adjacent to small metro | 1,514 | 14.5 | 22.8 | 831 | 7.4 | 13.8 | 683 | 24.5 | 38.2 |
| Nonadjacent with city | 367 | 17.8 | 22.7 | 203 | 11.6 | 13.9 | 163 | 26.5 | 37.9 |
| Nonadjacent without city | 381 | 14.6 | 27.9 | 210 | 6.9 | 19.2 | 171 | 25.8 | 42.9 |
| Midwest | 30,002 | 8.3 | 21.4 | 16,305 | 1.3 | 11.9 | 13,697 | 18.0 | 37.8 |
| Metro | 21,924 | 9.5 | 20.4 | 11,819 | 2.8 | 10.8 | 10,106 | 18.6 | 36.3 |
| Large | 13,838 | 10.2 | 18.4 | 7,462 | 3.7 | 9.0 | 6,375 | 18.9 | 33.8 |
| Small | 8,087 | 8.4 | 23.9 | 4,356 | 1.3 | 13.9 | 3,731 | 18.1 | 40.8 |
| Nonmetro | 8,078 | 5.1 | 24.3 | 4,487 | -2.6 | 14.5 | 3,591 | 16.4 | 42.3 |
| Adjacent to large metro | 1,240 | 8.4 | 25.8 | 690 | .7 | 17.0 | 550 | 19.9 | 41.8 |
| Adjacent to small metro | 2,880 | 6.4 | 24.8 | 1,598 | -1.1 | 15.3 | 1,282 | 17.7 | 42.4 |
| Nonadjacent with city | 1,802 | 4.5 | 26.5 | 986 | -2.3 | 17.1 | 815 | 14.1 | 42.8 |
| Nonadjacent without city | 2,157 | 1.9 | 20.9 | 1,213 | -6.3 | 10.6 | 944 | 14.8 | 42.0 |
| South | 42,277 | 22.8 | 39.3 | 23,072 | 15.8 | 28.6 | 19,204 | 32.3 | 57.3 |
| Metro | 30,957 | 26.5 | 42.1 | 16,808 | 19.7 | 30.8 | 14,148 | 35.6 | 60.9 |
| Large | 13,858 | 31.2 | 44.5 | 7,512 | 24.9 | 33.0 | 6,346 | 39.6 | 63.2 |
| Small | 17,098 | 22.9 | 40.4 | 9,296 | 15.8 | 29.2 | 7,802 | 32.5 | 59.2 |
| Nonmetro | 11,320 | 13.7 | 32.9 | 6,264 | 6.6 | 23.7 | 5,056 | 23.9 | 48.8 |
| Adjacent to large metro | 901 | 31.3 | 43.7 | 505 | 23.8 | 32.5 | 396 | 42.4 | 64.1 |
| Adjacent to small metro | 4,816 | 15.6 | 34.8 | 2,659 | 8.3 | 25.4 | 2,156 | 26.0 | 51.0 |
| Nonadjacent with city | 2,695 | 11.7 | 30.6 | 1,476 | 5.4 | 21.0 | 1,219 | 20.5 | 46.7 |
| Nonadjacent without city | 2,909 | 8.1 | 29.7 | 1,624 | .9 | 21.6 | 1,285 | 18.9 | 44.0 |
| West | 26,808 | 28.2 | 46.4 | 15,057 | 22.9 | 34.4 | 11,751 | 35.7 | 67.4 |
| Metro | 22,910 | 29.8 | 45.3 | 12,842 | 25.2 | 33.3 | 10,068 | 36.2 | 66.0 |
| Large | 16,448 | 30.5 | 41.1 | 9,224 | 26.8 | 29.8 | 7,224 | 35.4 | 60.3 |
| Small | 6,463 | 28.3 | 56.9 | 3,618 | 21.3 | 42.9 | 2,845 | 38.3 | 82.8 |
| Nonmetro | 3,897 | 19.4 | 52.3 | 2,215 | 11.0 | 40.1 | 1,682 | 32.8 | 76.3 |
| Adjacent to large metro | 341 | 35.5 | 59.6 | 195 | 26.0 | 46.9 | 146 | 50.6 | 85.0 |
| Adjacent to small metro | 1,045 | 29.8 | 60.6 | 595 | 21.6 | 46.5 | 450 | 42.7 | 88.7 |
| Nonadjacent with city | 1,426 | 15.3 | 50.4 | 803 | 7.2 | 38.7 | 623 | 27.8 | 72.6 |
| Nonadjacent without city | 1,086 | 11.8 | 46.5 | 623 | 3.2 | 35.4 | 463 | 26.1 | 69.5 |
| Nonmetro county type: | | | | | | | | | |
| Farming-dependent | 3,476 | 6.2 | 23.2 | 1,965 | -1.7 | 13.3 | 1,511 | 18.5 | 42.7 |
| Mining-dependent | 1,525 | 1.1 | 41.1 | 893 | -8.5 | 33.6 | 632 | 18.5 | 57.1 |
| Manufacturing-dependent | 10,436 | 10.4 | 27.6 | 5,736 | 3.8 | 18.7 | 4,699 | 19.7 | 42.6 |
| Persistent low-income | 1,480 | 11.8 | 32.4 | 816 | 4.0 | 23.5 | 664 | 23.0 | 47.8 |
| Retirement-destination | 5,986 | 25.6 | 50.7 | 3,333 | 17.7 | 39.0 | 2,653 | 37.1 | 72.0 |

## Appendix table 17—Labor force participation rate by gender, 1970-90

| Area | Population age 16 and older | | | Men | | | Women | | |
|---|---|---|---|---|---|---|---|---|---|
| | 1990 | 1980 | 1970 | 1990 | 1980 | 1970 | 1990 | 1980 | 1970 |
| | | | | *Percent in the labor force* | | | | | |
| United States | 65.3 | 62.0 | 58.2 | 74.4 | 75.1 | 76.6 | 56.8 | 49.9 | 41.4 |
| Metro | 66.7 | 63.3 | 59.4 | 75.9 | 76.4 | 78.0 | 58.2 | 51.4 | 42.6 |
| Large | 67.5 | 63.8 | 59.8 | 76.8 | 76.8 | 78.6 | 58.9 | 52.0 | 43.0 |
| Small | 65.5 | 62.6 | 58.8 | 74.5 | 75.7 | 77.1 | 57.2 | 50.6 | 42.0 |
| Nonmetro | 60.4 | 57.6 | 54.1 | 69.6 | 71.2 | 72.0 | 51.8 | 45.0 | 37.3 |
| Adjacent to large metro | 60.9 | 58.0 | 54.9 | 70.1 | 71.9 | 73.5 | 52.2 | 45.0 | 37.6 |
| Adjacent to small metro | 60.6 | 57.8 | 54.5 | 69.7 | 71.2 | 72.4 | 52.2 | 45.4 | 37.8 |
| Nonadjacent with city | 62.2 | 59.8 | 55.7 | 71.3 | 73.0 | 73.2 | 53.8 | 47.5 | 39.4 |
| Nonadjacent without city | 58.2 | 55.4 | 51.8 | 67.8 | 69.5 | 69.9 | 49.2 | 42.2 | 34.7 |
| Northeast | 64.9 | 60.8 | 58.3 | 74.2 | 74.2 | 76.9 | 56.7 | 49.1 | 41.8 |
| Metro | 65.2 | 61.1 | 58.6 | 74.5 | 74.5 | 77.3 | 57.0 | 49.4 | 42.1 |
| Large | 64.9 | 60.7 | 58.2 | 74.4 | 74.2 | 77.3 | 56.6 | 49.0 | 41.6 |
| Small | 65.8 | 62.0 | 59.3 | 74.8 | 75.1 | 77.3 | 57.7 | 50.2 | 43.3 |
| Nonmetro | 62.5 | 58.4 | 55.7 | 71.4 | 71.8 | 73.8 | 54.2 | 46.1 | 39.1 |
| Adjacent to large metro | 61.0 | 57.3 | 54.5 | 70.8 | 71.8 | 73.8 | 52.0 | 44.0 | 37.0 |
| Adjacent to small metro | 63.1 | 59.1 | 56.6 | 72.1 | 72.5 | 74.7 | 54.8 | 46.9 | 40.0 |
| Nonadjacent with city | 62.8 | 58.0 | 55.1 | 70.2 | 70.0 | 71.2 | 55.5 | 46.7 | 39.7 |
| Nonadjacent without city | 61.9 | 57.7 | 54.6 | 70.8 | 71.3 | 72.5 | 53.6 | 45.3 | 38.2 |
| Midwest | 65.7 | 62.7 | 58.7 | 74.8 | 76.3 | 77.7 | 57.3 | 50.3 | 41.4 |
| Metro | 67.1 | 64.3 | 60.2 | 76.2 | 77.8 | 79.3 | 58.9 | 52.1 | 43.0 |
| Large | 67.6 | 64.6 | 60.7 | 76.8 | 78.2 | 79.9 | 59.2 | 52.4 | 43.5 |
| Small | 66.3 | 63.7 | 59.4 | 75.1 | 77.1 | 78.3 | 58.4 | 51.6 | 42.2 |
| Nonmetro | 62.0 | 59.0 | 54.9 | 71.3 | 73.0 | 73.7 | 53.3 | 45.8 | 37.3 |
| Adjacent to large metro | 62.4 | 59.7 | 56.0 | 71.5 | 73.8 | 74.6 | 53.9 | 46.4 | 38.5 |
| Adjacent to small metro | 63.0 | 59.7 | 55.8 | 72.2 | 73.8 | 74.8 | 54.3 | 46.6 | 38.0 |
| Nonadjacent with city | 63.6 | 60.9 | 55.9 | 72.3 | 74.1 | 73.4 | 55.5 | 48.7 | 39.6 |
| Nonadjacent without city | 59.4 | 56.2 | 52.6 | 69.2 | 70.8 | 72.2 | 50.2 | 42.4 | 34.0 |
| South | 64.2 | 60.9 | 57.0 | 73.4 | 73.9 | 74.9 | 55.8 | 49.1 | 40.7 |
| Metro | 66.6 | 63.2 | 59.2 | 75.7 | 76.0 | 77.4 | 58.3 | 51.5 | 42.6 |
| Large | 69.1 | 64.9 | 60.5 | 78.0 | 77.6 | 78.8 | 60.8 | 53.4 | 44.0 |
| Small | 64.7 | 61.9 | 58.2 | 73.9 | 75.0 | 76.4 | 56.4 | 50.1 | 41.6 |
| Nonmetro | 58.5 | 55.9 | 52.7 | 68.0 | 69.2 | 69.9 | 49.9 | 43.8 | 36.9 |
| Adjacent to large metro | 60.4 | 57.0 | 54.1 | 69.7 | 70.4 | 72.3 | 51.6 | 44.6 | 37.1 |
| Adjacent to small metro | 58.6 | 56.2 | 53.0 | 67.9 | 69.2 | 70.2 | 50.2 | 44.2 | 37.3 |
| Nonadjacent with city | 60.9 | 58.5 | 55.3 | 70.6 | 71.7 | 72.7 | 52.3 | 46.6 | 39.5 |
| Nonadjacent without city | 55.8 | 53.0 | 49.7 | 65.6 | 66.7 | 66.6 | 46.9 | 40.7 | 34.4 |
| West | 66.8 | 64.1 | 59.1 | 75.9 | 76.7 | 77.4 | 57.9 | 52.0 | 41.7 |
| Metro | 67.9 | 65.0 | 59.9 | 77.1 | 77.5 | 78.2 | 58.9 | 53.2 | 42.6 |
| Large | 68.5 | 65.6 | 60.4 | 77.9 | 77.9 | 78.8 | 59.4 | 54.0 | 43.4 |
| Small | 66.2 | 63.7 | 58.3 | 75.2 | 76.6 | 76.7 | 57.5 | 51.1 | 40.4 |
| Nonmetro | 61.2 | 59.6 | 55.1 | 69.8 | 73.1 | 73.2 | 52.7 | 46.2 | 37.0 |
| Adjacent to large metro | 56.9 | 55.0 | 52.4 | 65.2 | 68.1 | 70.5 | 48.7 | 42.2 | 34.7 |
| Adjacent to small metro | 60.5 | 58.2 | 53.7 | 68.7 | 71.1 | 71.3 | 52.2 | 45.4 | 36.0 |
| Nonadjacent with city | 62.7 | 61.3 | 56.6 | 71.5 | 74.8 | 74.5 | 54.1 | 48.1 | 38.7 |
| Nonadjacent without city | 61.5 | 59.9 | 55.2 | 70.3 | 74.1 | 73.8 | 52.7 | 45.6 | 36.3 |
| Nonmetro county type: | | | | | | | | | |
| Farming-dependent | 59.3 | 56.3 | 52.6 | 69.4 | 70.9 | 72.0 | 49.9 | 42.6 | 34.4 |
| Mining-dependent | 54.5 | 53.4 | 48.3 | 66.3 | 70.8 | 68.2 | 43.6 | 36.9 | 29.6 |
| Manufacturing-dependent | 61.8 | 59.3 | 56.2 | 71.2 | 72.6 | 74.1 | 53.3 | 47.1 | 40.0 |
| Persistent low-income | 54.5 | 51.1 | 47.2 | 63.1 | 63.3 | 62.5 | 46.7 | 39.9 | 33.1 |
| Retirement-destination | 58.0 | 55.1 | 52.1 | 66.5 | 67.6 | 69.1 | 50.0 | 43.4 | 36.0 |

## Appendix table 18—Employment by occupation, 1980-90

| | 1990 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Area | Total employed | Professional | Technical | Sales | Administrative support | Service | Farming | Precision | Laborer |
| | *Thousand* | *Percent of employment* | | | | | | | |
| United States | 115,681 | 26.4 | 3.7 | 11.8 | 16.3 | 13.2 | 2.5 | 22.2 | 3.9 |
| Metro | 91,673 | 28.1 | 3.9 | 12.2 | 17.1 | 13.0 | 1.5 | 20.5 | 3.7 |
| Large | 55,167 | 29.7 | 4.0 | 12.3 | 17.8 | 12.5 | 1.1 | 19.1 | 3.5 |
| Small | 36,506 | 25.7 | 3.8 | 12.1 | 16.1 | 13.6 | 2.1 | 22.5 | 4.0 |
| Nonmetro | 24,008 | 19.8 | 2.8 | 10.1 | 13.0 | 14.2 | 6.0 | 29.0 | 5.0 |
| Adjacent to large metro | 2,806 | 20.4 | 3.0 | 10.3 | 13.6 | 14.2 | 4.5 | 29.0 | 5.1 |
| Adjacent to small metro | 9,483 | 19.4 | 2.9 | 9.7 | 13.1 | 13.7 | 5.6 | 30.6 | 5.1 |
| Nonadjacent with city | 5,703 | 22.1 | 3.0 | 11.5 | 13.5 | 15.0 | 4.5 | 25.6 | 4.7 |
| Nonadjacent without city | 6,016 | 18.2 | 2.3 | 9.4 | 12.0 | 14.4 | 8.9 | 29.8 | 5.2 |
| Northeast | 24,312 | 29.0 | 3.7 | 11.4 | 17.6 | 13.1 | 1.3 | 20.2 | 3.6 |
| Metro | 21,726 | 29.7 | 3.8 | 11.6 | 18.1 | 13.0 | 1.0 | 19.4 | 3.4 |
| Large | 14,224 | 31.2 | 3.8 | 11.8 | 18.8 | 12.9 | .7 | 17.6 | 3.2 |
| Small | 7,501 | 26.9 | 3.9 | 11.2 | 16.6 | 13.1 | 1.4 | 22.9 | 3.9 |
| Nonmetro | 2,586 | 23.4 | 3.2 | 10.1 | 13.8 | 14.5 | 3.6 | 26.7 | 4.7 |
| Adjacent to large metro | 507 | 24.1 | 3.2 | 11.2 | 14.1 | 14.5 | 2.9 | 25.6 | 4.4 |
| Adjacent to small metro | 1,405 | 23.0 | 3.3 | 9.7 | 13.9 | 14.2 | 3.6 | 27.5 | 4.8 |
| Nonadjacent with city | 322 | 25.4 | 3.3 | 10.4 | 13.9 | 16.2 | 3.5 | 23.1 | 4.1 |
| Nonadjacent without city | 352 | 22.0 | 2.7 | 9.8 | 12.9 | 14.4 | 4.8 | 28.1 | 5.3 |
| Midwest | 27,985 | 24.6 | 3.5 | 11.4 | 16.1 | 13.5 | 3.0 | 23.7 | 4.2 |
| Metro | 20,464 | 26.7 | 3.8 | 12.1 | 17.3 | 12.9 | 1.3 | 22.0 | 3.9 |
| Large | 12,899 | 27.8 | 3.9 | 12.3 | 18.0 | 12.4 | .9 | 21.1 | 3.7 |
| Small | 7,565 | 24.9 | 3.7 | 11.7 | 16.1 | 13.9 | 1.9 | 23.6 | 4.1 |
| Nonmetro | 7,521 | 18.9 | 2.6 | 9.7 | 13.0 | 14.9 | 7.7 | 28.2 | 5.0 |
| Adjacent to large metro | 1,155 | 18.4 | 2.9 | 9.3 | 13.2 | 14.4 | 5.1 | 31.3 | 5.4 |
| Adjacent to small metro | 2,696 | 18.3 | 2.7 | 9.1 | 13.2 | 14.3 | 7.0 | 30.2 | 5.2 |
| Nonadjacent with city | 1,663 | 21.5 | 3.0 | 11.4 | 13.8 | 15.7 | 4.9 | 25.0 | 4.7 |
| Nonadjacent without city | 2,007 | 17.8 | 2.2 | 9.3 | 12.1 | 15.2 | 12.3 | 26.4 | 4.8 |
| South | 38,787 | 25.1 | 3.7 | 12.1 | 15.6 | 13.1 | 2.5 | 23.8 | 4.1 |
| Metro | 28,422 | 27.5 | 4.0 | 12.7 | 16.7 | 13.0 | 1.6 | 20.7 | 3.7 |
| Large | 12,803 | 29.9 | 4.3 | 12.7 | 17.6 | 12.6 | 1.2 | 18.2 | 3.4 |
| Small | 15,618 | 25.5 | 3.9 | 12.8 | 15.9 | 13.3 | 1.8 | 22.8 | 4.0 |
| Nonmetro | 10,366 | 18.6 | 2.7 | 10.2 | 12.6 | 13.1 | 5.0 | 32.4 | 5.3 |
| Adjacent to large metro | 833 | 20.1 | 3.2 | 10.7 | 14.0 | 13.3 | 4.5 | 29.2 | 5.1 |
| Adjacent to small metro | 4,438 | 18.2 | 2.8 | 9.9 | 12.6 | 12.8 | 4.9 | 33.3 | 5.4 |
| Nonadjacent with city | 2,428 | 21.0 | 3.0 | 11.7 | 13.2 | 14.0 | 3.7 | 28.5 | 4.8 |
| Nonadjacent without city | 2,667 | 16.6 | 2.3 | 9.4 | 11.6 | 12.9 | 6.4 | 35.2 | 5.6 |
| West | 24,597 | 27.8 | 3.8 | 12.1 | 16.2 | 13.3 | 3.0 | 20.1 | 3.7 |
| Metro | 21,062 | 28.7 | 3.9 | 12.3 | 16.7 | 12.9 | 2.3 | 19.7 | 3.6 |
| Large | 15,240 | 29.7 | 4.0 | 12.3 | 17.0 | 12.2 | 1.6 | 19.7 | 3.5 |
| Small | 5,822 | 26.0 | 3.8 | 12.1 | 15.8 | 14.9 | 4.0 | 19.6 | 3.8 |
| Nonmetro | 3,535 | 22.9 | 2.9 | 10.7 | 13.3 | 15.7 | 7.2 | 22.7 | 4.5 |
| Adjacent to large metro | 310 | 22.3 | 3.0 | 11.2 | 13.2 | 15.2 | 5.4 | 25.0 | 4.7 |
| Adjacent to small metro | 945 | 22.6 | 3.3 | 10.8 | 13.8 | 15.1 | 7.2 | 23.0 | 4.4 |
| Nonadjacent with city | 1,290 | 24.1 | 3.1 | 11.5 | 13.7 | 15.8 | 5.7 | 21.6 | 4.4 |
| Nonadjacent without city | 990 | 21.7 | 2.3 | 9.6 | 12.5 | 16.5 | 9.8 | 23.0 | 4.6 |
| Nonmetro county type: | | | | | | | | | |
| Farming-dependent | 3,244 | 17.1 | 2.3 | 9.0 | 12.1 | 13.9 | 13.7 | 26.9 | 5.0 |
| Mining-dependent | 1,373 | 19.4 | 2.7 | 9.9 | 12.6 | 14.8 | 4.6 | 30.8 | 5.1 |
| Manufacturing-dependent | 9,719 | 18.6 | 2.7 | 9.6 | 12.7 | 13.0 | 4.3 | 33.6 | 5.5 |
| Persistent low-income | 1,338 | 16.1 | 2.2 | 8.8 | 11.1 | 13.1 | 6.3 | 36.5 | 6.0 |
| Retirement-destination | 5,501 | 20.5 | 2.7 | 11.2 | 13.1 | 14.7 | 5.5 | 27.5 | 4.9 |

See note at end of table.

—Continued

## Appendix table 18—Employment by occupation, 1980-90—Continued

| Area | 1980 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Total employed | Profes- sional | Technical | Sales | Admini- strative support | Service | Farming | Precision | Laborer |
| | *Thousand* | *Percent of employment* | | | | | | | |
| United States | 97,639 | 22.7 | 3.1 | 10.0 | 17.3 | 12.9 | 2.9 | 26.7 | 4.5 |
| Metro | 76,258 | 24.1 | 3.3 | 10.4 | 18.5 | 12.8 | 1.5 | 25.1 | 4.2 |
| Large | 45,782 | 25.3 | 3.3 | 10.5 | 19.7 | 12.5 | 1.1 | 23.6 | 4.0 |
| Small | 30,476 | 22.3 | 3.2 | 10.3 | 16.8 | 13.3 | 2.3 | 27.4 | 4.5 |
| Nonmetro | 21,381 | 17.7 | 2.2 | 8.6 | 12.7 | 13.3 | 7.7 | 32.3 | 5.5 |
| Adjacent to large metro | 2,342 | 17.9 | 2.4 | 8.7 | 13.2 | 13.4 | 5.8 | 33.2 | 5.5 |
| Adjacent to small metro | 8,272 | 17.1 | 2.3 | 8.1 | 12.7 | 12.9 | 7.1 | 34.2 | 5.6 |
| Nonadjacent with city | 5,150 | 19.8 | 2.6 | 9.8 | 14.0 | 14.0 | 5.5 | 29.1 | 5.1 |
| Nonadjacent without city | 5,618 | 16.6 | 1.9 | 8.0 | 11.3 | 13.3 | 11.3 | 32.0 | 5.6 |
| Northeast | 21,393 | 24.4 | 3.1 | 9.5 | 19.0 | 12.9 | 1.3 | 25.7 | 4.0 |
| Metro | 19,169 | 24.9 | 3.1 | 9.6 | 19.7 | 12.8 | .9 | 25.0 | 3.9 |
| Large | 12,698 | 26.2 | 3.1 | 9.9 | 20.9 | 12.8 | .6 | 22.7 | 3.7 |
| Small | 6,471 | 22.5 | 3.2 | 9.1 | 17.2 | 12.8 | 1.5 | 29.4 | 4.3 |
| Nonmetro | 2,224 | 19.9 | 2.6 | 8.2 | 13.9 | 13.6 | 4.3 | 32.4 | 5.0 |
| Adjacent to large metro | 432 | 20.4 | 2.5 | 9.0 | 14.2 | 13.7 | 3.0 | 32.2 | 4.9 |
| Adjacent to small metro | 1,212 | 19.4 | 2.6 | 8.0 | 14.0 | 13.2 | 4.4 | 33.5 | 5.1 |
| Nonadjacent with city | 277 | 22.4 | 3.0 | 8.6 | 14.2 | 15.2 | 4.6 | 27.7 | 4.3 |
| Nonadjacent without city | 303 | 19.2 | 2.3 | 7.9 | 12.7 | 13.5 | 5.8 | 32.7 | 5.7 |
| Midwest | 25,517 | 21.3 | 2.9 | 9.7 | 16.7 | 13.3 | 3.8 | 27.8 | 4.5 |
| Metro | 18,450 | 22.8 | 3.2 | 10.1 | 18.2 | 13.0 | 1.4 | 26.9 | 4.4 |
| Large | 11,591 | 23.4 | 3.2 | 10.2 | 19.1 | 12.7 | .9 | 26.1 | 4.3 |
| Small | 6,859 | 21.8 | 3.1 | 9.9 | 16.7 | 13.7 | 2.2 | 28.2 | 4.4 |
| Nonmetro | 7,067 | 17.3 | 2.1 | 8.5 | 12.6 | 13.9 | 10.3 | 30.3 | 5.0 |
| Adjacent to large metro | 1,049 | 16.8 | 2.2 | 8.1 | 12.7 | 13.5 | 6.9 | 34.5 | 5.4 |
| Adjacent to small metro | 2,496 | 16.5 | 2.0 | 7.9 | 12.7 | 13.5 | 9.5 | 32.7 | 5.2 |
| Nonadjacent with city | 1,576 | 19.7 | 2.5 | 10.0 | 14.2 | 14.9 | 6.4 | 27.5 | 4.8 |
| Nonadjacent without city | 1,946 | 16.5 | 1.7 | 8.2 | 11.2 | 14.0 | 16.5 | 27.1 | 4.8 |
| South | 31,678 | 21.5 | 3.0 | 10.1 | 16.3 | 12.5 | 2.9 | 28.5 | 5.0 |
| Metro | 22,526 | 23.6 | 3.4 | 10.8 | 18.0 | 12.6 | 1.6 | 25.5 | 4.6 |
| Large | 9,837 | 25.5 | 3.6 | 11.0 | 19.5 | 12.3 | 1.1 | 22.7 | 4.3 |
| Small | 12,690 | 22.1 | 3.2 | 10.7 | 16.8 | 12.8 | 2.0 | 27.6 | 4.9 |
| Nonmetro | 9,152 | 16.5 | 2.2 | 8.4 | 12.3 | 12.3 | 6.3 | 35.9 | 6.1 |
| Adjacent to large metro | 638 | 17.3 | 2.6 | 8.9 | 13.5 | 12.6 | 5.6 | 33.5 | 6.0 |
| Adjacent to small metro | 3,849 | 16.1 | 2.2 | 8.0 | 12.2 | 12.2 | 6.2 | 36.9 | 6.2 |
| Nonadjacent with city | 2,183 | 18.5 | 2.4 | 9.9 | 13.5 | 13.1 | 4.6 | 32.5 | 5.6 |
| Nonadjacent without city | 2,483 | 15.1 | 1.8 | 7.8 | 11.0 | 11.9 | 8.0 | 38.0 | 6.4 |
| West | 19,051 | 24.6 | 3.3 | 10.8 | 17.5 | 13.2 | 3.2 | 23.3 | 4.0 |
| Metro | 16,113 | 25.3 | 3.4 | 11.0 | 18.3 | 12.9 | 2.3 | 22.9 | 3.9 |
| Large | 11,657 | 26.0 | 3.5 | 11.0 | 18.9 | 12.2 | 1.6 | 23.0 | 3.8 |
| Small | 4,457 | 23.2 | 3.1 | 11.2 | 16.6 | 14.9 | 4.3 | 22.6 | 4.1 |
| Nonmetro | 2,937 | 21.0 | 2.5 | 9.4 | 13.5 | 14.8 | 8.2 | 25.6 | 5.0 |
| Adjacent to large metro | 223 | 19.9 | 2.4 | 10.0 | 13.1 | 14.7 | 6.8 | 28.1 | 5.0 |
| Adjacent to small metro | 715 | 20.8 | 2.8 | 9.5 | 13.8 | 14.6 | 8.4 | 25.4 | 4.8 |
| Nonadjacent with city | 1,113 | 22.1 | 2.8 | 9.9 | 14.6 | 14.5 | 6.2 | 25.1 | 4.9 |
| Nonadjacent without city | 886 | 20.1 | 2.1 | 8.5 | 12.1 | 15.3 | 10.9 | 25.8 | 5.2 |
| Nonmetro county type: | | | | | | | | | |
| Farming-dependent | 3,058 | 15.6 | 1.7 | 7.9 | 11.2 | 13.0 | 18.0 | 27.5 | 5.1 |
| Mining-dependent | 1,391 | 17.0 | 2.2 | 8.2 | 12.1 | 12.5 | 4.6 | 37.3 | 6.0 |
| Manufacturing-dependent | 8,719 | 16.6 | 2.2 | 8.0 | 12.6 | 12.3 | 5.4 | 37.1 | 5.8 |
| Persistent low-income | 1,198 | 14.9 | 1.8 | 7.2 | 10.7 | 12.2 | 8.1 | 38.3 | 6.8 |
| Retirement-destination | 4,336 | 18.3 | 2.2 | 9.4 | 12.6 | 13.9 | 6.9 | 31.4 | 5.4 |

Note: See "Occupation" in Appendix for definitions of categories shown in this table.

## Appendix table 19—Employment by industry, 1970-90

| Area | Total employment | | | Agriculture-related | | | Mining | | |
|---|---|---|---|---|---|---|---|---|---|
| | Number 1990 | Change: 1980-90 | Change: 1970-80 | Number 1990 | Change: 1980-90 | Change: 1970-80 | Number 1990 | Change: 1980-90 | Change: 1970-80 |
| | *Thousand* | *------Percent------* | | *Thousand* | *------Percent------* | | *Thousand* | *------Percent------* | |
| United States | 115,681 | 18.5 | 27.5 | 3,115 | 6.9 | 2.6 | 723 | -29.6 | 63.0 |
| Metro | 91,673 | 20.2 | 27.2 | 1,554 | 27.3 | 11.9 | 359 | -24.4 | 60.0 |
| Large | 55,167 | 20.5 | 24.1 | 704 | 43.1 | 17.5 | 167 | -16.6 | 66.8 |
| Small | 36,506 | 19.8 | 32.1 | 850 | 16.6 | 8.4 | 192 | -30.2 | 55.4 |
| Nonmetro | 24,008 | 12.3 | 28.8 | 1,561 | -7.8 | -3.2 | 365 | -34.1 | 65.7 |
| Adjacent to large metro | 2,806 | 19.8 | 30.8 | 139 | -1.6 | 1.5 | 28 | -39.3 | 61.8 |
| Adjacent to small metro | 9,483 | 14.6 | 28.6 | 569 | -6.1 | -2.2 | 106 | -32.8 | 62.8 |
| Nonadjacent with city | 5,698 | 10.6 | 31.4 | 280 | -5.4 | -1.0 | 82 | -34.6 | 63.5 |
| Nonadjacent without city | 6,021 | 7.2 | 25.9 | 574 | -11.7 | -6.1 | 149 | -33.7 | 69.9 |
| Northeast | 24,312 | 13.6 | 11.0 | 331 | 24.7 | -.5 | 51 | -29.7 | 14.9 |
| Metro | 21,726 | 13.3 | 9.9 | 236 | 36.7 | -3.0 | 33 | -28.2 | 8.4 |
| Large | 14,224 | 12.0 | 6.8 | 117 | 51.7 | -3.4 | 18 | -30.8 | 10.6 |
| Small | 7,501 | 15.9 | 16.5 | 119 | 24.6 | -2.6 | 15 | -24.8 | 5.7 |
| Nonmetro | 2,586 | 16.3 | 21.9 | 95 | 2.2 | 4.6 | 18 | -32.5 | 28.0 |
| Adjacent to large metro | 507 | 17.3 | 28.3 | 16 | 17.7 | 8.0 | 7 | -35.5 | 71.4 |
| Adjacent to small metro | 1,405 | 16.0 | 20.3 | 51 | -.1 | 4.7 | 7 | -25.6 | 9.6 |
| Nonadjacent with city | 322 | 16.2 | 18.4 | 11 | -6.6 | -6.3 | 1 | -26.7 | -28.7 |
| Nonadjacent without city | 352 | 16.0 | 23.0 | 16 | 3.6 | 11.3 | 2 | -44.2 | 30.2 |
| Midwest | 27,985 | 9.7 | 17.9 | 926 | -8.7 | -2.0 | 101 | -31.2 | 33.3 |
| Metro | 20,464 | 10.9 | 16.7 | 297 | 13.7 | .4 | 37 | -27.4 | 18.9 |
| Large | 12,899 | 11.3 | 14.7 | 139 | 30.7 | 1.4 | 16 | -11.4 | 7.3 |
| Small | 7,565 | 10.3 | 20.3 | 158 | 2.1 | -.3 | 21 | -36.1 | 26.4 |
| Nonmetro | 7,521 | 6.4 | 21.0 | 629 | -16.4 | -2.8 | 64 | -33.2 | 42.4 |
| Adjacent to large metro | 1,155 | 10.1 | 21.0 | 64 | -14.0 | -.9 | 8 | -38.7 | 39.4 |
| Adjacent to small metro | 2,696 | 8.0 | 20.5 | 207 | -15.4 | .0 | 15 | -36.9 | 28.2 |
| Nonadjacent with city | 1,663 | 5.5 | 24.7 | 89 | -14.8 | -3.0 | 16 | -34.1 | 70.4 |
| Nonadjacent without city | 2,007 | 3.2 | 18.9 | 268 | -18.3 | -5.0 | 25 | -28.1 | 37.9 |
| South | 38,787 | 22.4 | 39.0 | 1,027 | 6.4 | -5.2 | 418 | -29.5 | 79.8 |
| Metro | 28,422 | 26.2 | 42.6 | 480 | 26.0 | 6.8 | 215 | -23.8 | 88.8 |
| Large | 12,803 | 30.2 | 45.4 | 173 | 49.9 | 20.6 | 97 | -12.6 | 119.7 |
| Small | 15,618 | 23.1 | 40.4 | 307 | 15.7 | 1.8 | 118 | -31.1 | 73.0 |
| Nonmetro | 10,366 | 13.3 | 30.8 | 547 | -6.4 | -11.6 | 203 | -34.7 | 72.4 |
| Adjacent to large metro | 833 | 30.7 | 43.4 | 40 | 8.3 | -3.0 | 9 | -37.8 | 84.1 |
| Adjacent to small metro | 4,438 | 15.3 | 32.4 | 232 | -5.0 | -10.5 | 73 | -31.6 | 76.4 |
| Nonadjacent with city | 2,428 | 11.2 | 30.1 | 98 | -6.5 | -10.4 | 37 | -35.1 | 55.9 |
| Nonadjacent without city | 2,667 | 7.4 | 26.0 | 178 | -10.8 | -15.0 | 84 | -36.7 | 75.8 |
| West | 24,597 | 29.1 | 48.4 | 831 | 24.3 | 28.2 | 154 | -28.9 | 69.1 |
| Metro | 21,062 | 30.7 | 47.9 | 541 | 33.1 | 37.1 | 74 | -22.9 | 54.4 |
| Large | 15,240 | 30.7 | 43.6 | 276 | 42.4 | 39.5 | 36 | -20.3 | 54.6 |
| Small | 5,822 | 30.6 | 60.5 | 265 | 24.7 | 34.9 | 38 | -25.3 | 54.2 |
| Nonmetro | 3,535 | 20.4 | 51.4 | 291 | 10.6 | 16.6 | 80 | -33.7 | 83.0 |
| Adjacent to large metro | 310 | 39.4 | 57.0 | 18 | 18.1 | 22.6 | 4 | -49.0 | 53.6 |
| Adjacent to small metro | 945 | 32.0 | 60.0 | 79 | 20.0 | 24.1 | 10 | -38.4 | 97.1 |
| Nonadjacent with city | 1,285 | 15.5 | 50.0 | 82 | 9.3 | 21.4 | 28 | -34.5 | 80.2 |
| Nonadjacent without city | 995 | 12.3 | 45.3 | 112 | 4.6 | 8.8 | 37 | -29.2 | 86.3 |
| County type: | | | | | | | | | |
| Farming-dependent | 3,244 | 6.1 | 20.7 | 495 | -14.3 | -4.6 | 25 | -28.3 | 80.2 |
| Mining-dependent | 1,373 | -1.2 | 38.0 | 65 | -.4 | -11.3 | 159 | -42.3 | 67.7 |
| Manufacturing-dependent | 9,719 | 11.5 | 23.7 | 439 | -5.7 | -5.1 | 55 | -25.0 | 41.5 |
| Persistent Low-income | 1,338 | 11.6 | 27.6 | 84 | -11.1 | -19.7 | 23 | -29.6 | 101.1 |
| Retirement-destination | 5,501 | 26.9 | 48.0 | 320 | 4.1 | 8.4 | 53 | -30.8 | 76.2 |

See notes at end of table.

—Continued

## Appendix table 19—Employment by industry, 1970-90—Continued

| Area | Construction | | | Manufacturing | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Total | | | Durable | | | Nondurable | | |
| | 1990 | Change: 1980-90 | Change: 1970-80 | 1990 | Change: 1980-90 | Change: 1970-80 | 1990 | Change: 1980-90 | Change: 1970-80 | 1990 | Change: 1980-90 | Change: 1970-80 |
| | *Thousand* | *Percent* | *Percent* | *Thousand* | *Percent* | *Percent* | *Thousand* | *Percent* | *Percent* | *Thousand* | *Percent* | *Percent* |
| United States | 7,215 | 25.7 | -20.4 | 20,462 | -6.6 | 10.5 | 12,409 | -6.1 | 12.6 | 8,053 | -7.4 | 7.4 |
| Metro | 5,561 | 30.0 | -23.1 | 15,439 | -8.5 | 7.9 | 9,591 | -8.7 | 9.8 | 5,848 | -8.3 | 4.8 |
| Large | 3,294 | 34.3 | -25.5 | 8,972 | -9.6 | 5.2 | 5,709 | -10.4 | 6.3 | 3,263 | -8.2 | 3.2 |
| Small | 2,267 | 24.3 | -19.6 | 6,467 | -7.0 | 11.9 | 3,882 | -6.0 | 15.6 | 2,585 | -8.4 | 6.9 |
| Nonmetro | 1,653 | 13.0 | -11.5 | 5,023 | -.3 | 20.4 | 2,818 | 3.8 | 25.0 | 2,205 | -5.0 | 15.4 |
| Adjacent to large metro | 215 | 32.7 | -24.6 | 593 | -2.6 | 16.0 | 377 | -3.1 | 16.8 | 216 | -1.6 | 14.6 |
| Adjacent to small metro | 672 | 19.9 | -16.6 | 2,231 | -.2 | 20.2 | 1,255 | 4.2 | 25.0 | 976 | -5.4 | 15.0 |
| Nonadjacent with city | 350 | 3.6 | -3.4 | 1,019 | -1.5 | 20.8 | 547 | 1.2 | 26.1 | 472 | -4.4 | 15.5 |
| Nonadjacent without city | 416 | 3.5 | -3.4 | 1,179 | 2.0 | 23.0 | 639 | 10.1 | 30.3 | 540 | -6.1 | 16.5 |
| Northeast | 1,392 | 49.9 | -33.3 | 4,259 | -21.2 | -4.9 | 2,524 | -21.1 | -.8 | 1,735 | -21.4 | -10.2 |
| Metro | 1,203 | 49.1 | -32.9 | 3,730 | -22.1 | -6.4 | 2,185 | -22.2 | -2.7 | 1,545 | -21.9 | -11.1 |
| Large | 757 | 45.8 | -31.4 | 2,127 | -24.4 | -11.2 | 1,163 | -25.3 | -9.7 | 964 | -23.2 | -13.1 |
| Small | 446 | 55.0 | -35.5 | 1,603 | -18.7 | 1.6 | 1,022 | -18.2 | 7.8 | 581 | -19.5 | -7.5 |
| Nonmetro | 188 | 55.1 | -35.5 | 529 | -15.0 | 8.5 | 339 | -13.9 | 15.1 | 190 | -16.9 | -1.2 |
| Adjacent to large metro | 38 | 52.5 | -34.4 | 91 | -18.3 | 8.2 | 65 | -22.0 | 7.6 | 26 | -7.1 | 9.9 |
| Adjacent to small metro | 102 | 56.5 | -36.1 | 312 | -14.2 | 8.6 | 194 | -10.5 | 16.7 | 118 | -19.6 | -1.5 |
| Nonadjacent with city | 20 | 52.9 | -34.6 | 53 | -16.2 | 8.2 | 31 | -17.6 | 22.1 | 22 | -14.1 | -7.3 |
| Nonadjacent without city | 28 | 55.4 | -35.7 | 74 | -13.9 | 8.9 | 49 | -13.0 | 16.9 | 25 | -15.5 | -3.7 |
| Midwest | 1,451 | 17.1 | -14.6 | 5,889 | -10.9 | 2.9 | 3,896 | -14.5 | 2.3 | 1,993 | -2.9 | 4.4 |
| Metro | 1,024 | 23.4 | -18.9 | 4,244 | -14.3 | -1.2 | 2,834 | -18.5 | -1.9 | 1,410 | -4.3 | 0.5 |
| Large | 653 | 28.3 | -22.0 | 2,620 | -16.5 | -2.8 | 1,745 | -21.0 | -3.4 | 875 | -5.7 | -1.4 |
| Small | 371 | 15.6 | -13.5 | 1,624 | -10.5 | 1.7 | 1,088 | -14.3 | .8 | 536 | -1.8 | 4.0 |
| Nonmetro | 428 | 4.4 | -4.2 | 1,644 | -.8 | 17.7 | 1,062 | -1.4 | 18.9 | 582 | .4 | 15.6 |
| Adjacent to large metro | 71 | 22.1 | -18.1 | 303 | -4.4 | 12.1 | 203 | -5.5 | 11.0 | 100 | -2.0 | 14.5 |
| Adjacent to small metro | 151 | 7.5 | -7.0 | 682 | -.9 | 14.6 | 454 | -3.0 | 15.3 | 228 | 3.5 | 13.1 |
| Nonadjacent with city | 85 | -2.7 | 2.7 | 312 | -2.6 | 20.0 | 186 | -4.6 | 20.7 | 126 | .5 | 19.0 |
| Nonadjacent without city | 121 | -2.5 | 2.6 | 346 | 4.7 | 29.0 | 219 | 9.7 | 37.5 | 127 | -2.9 | 17.9 |
| South | 2,731 | 16.4 | -14.1 | 6,551 | .4 | 23.7 | 3,408 | 7.1 | 32.6 | 3,143 | -6.0 | 16.3 |
| Metro | 1,950 | 18.2 | -15.4 | 4,100 | -.3 | 23.2 | 2,246 | 4.6 | 31.0 | 1,854 | -5.6 | 15.7 |
| Large | 890 | 18.7 | -15.7 | 1,538 | 1.7 | 25.2 | 908 | 2.3 | 27.3 | 630 | .9 | 22.4 |
| Small | 1,060 | 17.8 | -15.1 | 2,562 | -1.4 | 22.1 | 1,338 | 6.2 | 33.8 | 1,224 | -8.6 | 12.9 |
| Nonmetro | 781 | 12.2 | -10.9 | 2,450 | 1.5 | 24.5 | 1,162 | 12.4 | 35.9 | 1,288 | -6.7 | 17.1 |
| Adjacent to large metro | 80 | 33.4 | -25.1 | 151 | 5.6 | 30.4 | 77 | 15.7 | 53.2 | 74 | -3.2 | 15.5 |
| Adjacent to small metro | 348 | 15.7 | -13.5 | 1,109 | 2.3 | 25.6 | 522 | 14.5 | 36.9 | 587 | -6.6 | 18.5 |
| Nonadjacent with city | 161 | 5.1 | -4.8 | 522 | -1.3 | 22.8 | 248 | 6.0 | 34.2 | 274 | -7.1 | 15.1 |
| Nonadjacent without city | 192 | 5.4 | -5.1 | 669 | 1.6 | 23.0 | 315 | 13.5 | 32.2 | 354 | -7.1 | 17.0 |
| West | 1,641 | 33.9 | -25.3 | 3,763 | 11.6 | 37.1 | 2,581 | 13.2 | 37.1 | 1,182 | 8.3 | 37.1 |
| Metro | 1,384 | 39.8 | -28.5 | 3,365 | 11.0 | 37.9 | 2,326 | 12.3 | 38.0 | 1,039 | 8.1 | 37.6 |
| Large | 994 | 47.3 | -32.1 | 2,686 | 9.0 | 34.1 | 1,892 | 10.0 | 33.4 | 794 | 6.7 | 35.9 |
| Small | 390 | 23.8 | -19.2 | 678 | 19.4 | 57.1 | 434 | 23.4 | 66.4 | 244 | 12.9 | 44.1 |
| Nonmetro | 257 | 8.8 | -8.1 | 399 | 17.2 | 30.4 | 255 | 21.8 | 28.8 | 144 | 9.8 | 33.0 |
| Adjacent to large metro | 26 | 37.0 | -27.0 | 47 | 29.0 | 27.0 | 31 | 33.4 | 30.1 | 162 | 1.3 | 21.8 |
| Adjacent to small metro | 71 | 30.9 | -23.6 | 128 | 28.5 | 61.2 | 85 | 33.0 | 63.3 | 432 | .5 | 57.7 |
| Nonadjacent with city | 85 | -.4 | .4 | 133 | 8.1 | 21.5 | 83 | 10.4 | 19.1 | 50 | 4.4 | 25.4 |
| Nonadjacent without city | 75 | -3.3 | 3.4 | 90 | 11.8 | 17.2 | 56 | 19.0 | 10.8 | 34 | 1.7 | 27.6 |
| Nonmetro county type: | | | | | | | | | | | | |
| Farming-dependent | 205 | 2.6 | -2.6 | 559 | 4.8 | 32.0 | 293 | 8.6 | 36.9 | 266 | .9 | 27.3 |
| Mining-dependent | 92 | -10.6 | 11.9 | 153 | -.8 | 14.6 | 93 | 3.9 | 17.0 | 60 | -7.4 | 11.4 |
| Manufacturing-dependent | 636 | 21.4 | -17.6 | 2,891 | -3.4 | 15.4 | 1,614 | .1 | 18.7 | 1,277 | -7.4 | 11.8 |
| Persistent low-income | 106 | 7.6 | -7.1 | 360 | 5.6 | 28.7 | 180 | 16.1 | 34.4 | 180 | -3.2 | 24.3 |
| Retirement-destination | 460 | 27.5 | -21.6 | 975 | 7.4 | 34.4 | 567 | 14.8 | 45.4 | 408 | -1.5 | 23.3 |

See notes at end of table.

—Continued

## Appendix table 19—Employment by industry, 1970-90—Continued

| Area | Services | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Total | | | Distributive | | | Business | | |
| | Number | Change: | | Number | Change: | | Number | Change: | |
| | 1990 | 1980-90 | 1970-80 | 1990 | 1980-90 | 1970-80 | 1990 | 1980-90 | 1970-80 |
| | *Thousand* | ------*Percent*------ | | *Thousand* | ------*Percent*------ | | *Thousand* | ------*Percent*------ | |
| United States | 84,166 | 27.4 | 35.7 | 13,276 | 17.4 | 35.9 | 21,244 | 50.0 | 51.5 |
| Metro | 68,759 | 28.7 | 35.3 | 10,997 | 19.3 | 32.9 | 18,303 | 50.4 | 50.4 |
| Large | 42,028 | 28.5 | 31.4 | 6,965 | 20.0 | 28.7 | 12,066 | 49.7 | 45.8 |
| Small | 26,730 | 29.1 | 41.9 | 4,032 | 18.1 | 40.9 | 6,236 | 51.9 | 60.5 |
| Nonmetro | 15,407 | 21.9 | 37.4 | 2,279 | 9.2 | 50.5 | 2,942 | 47.2 | 58.3 |
| Adjacent to large metro | 1,832 | 32.3 | 42.4 | 285 | 22.2 | 56.9 | 369 | 62.0 | 63.7 |
| Adjacent to small metro | 5,905 | 25.3 | 38.5 | 874 | 13.7 | 54.2 | 1,149 | 52.5 | 59.9 |
| Nonadjacent with city | 3,968 | 18.2 | 37.7 | 557 | 1.8 | 42.6 | 754 | 38.3 | 59.4 |
| Nonadjacent without city | 3,703 | 16.2 | 33.4 | 563 | 4.4 | 51.3 | 670 | 41.9 | 52.1 |
| Northeast | 18,279 | 24.2 | 20.2 | 2,826 | 14.3 | 16.9 | 4,998 | 45.0 | 27.3 |
| Metro | 16,524 | 23.7 | 18.9 | 2,596 | 14.1 | 15.4 | 4,645 | 43.9 | 26.2 |
| Large | 11,204 | 21.0 | 15.1 | 1,815 | 10.4 | 12.2 | 3,373 | 39.1 | 22.4 |
| Small | 5,317 | 29.8 | 28.5 | 780 | 23.7 | 24.4 | 1,271 | 58.4 | 39.3 |
| Nonmetro | 1,757 | 29.0 | 34.0 | 231 | 17.0 | 37.4 | 353 | 61.8 | 46.6 |
| Adjacent to large metro | 355 | 30.9 | 42.7 | 53 | 20.1 | 55.8 | 77 | 62.4 | 56.4 |
| Adjacent to small metro | 933 | 29.2 | 32.5 | 123 | 17.2 | 34.3 | 190 | 62.6 | 44.8 |
| Nonadjacent with city | 237 | 26.4 | 27.3 | 26 | 15.0 | 23.7 | 42 | 59.8 | 31.8 |
| Nonadjacent without city | 231 | 28.4 | 35.2 | 29 | 12.8 | 36.5 | 44 | 59.5 | 54.1 |
| Midwest | 19,619 | 18.9 | 27.5 | 3,140 | 9.1 | 28.0 | 4,710 | 43.1 | 41.3 |
| Metro | 14,862 | 20.3 | 27.3 | 2,415 | 11.4 | 23.5 | 3,805 | 43.4 | 40.7 |
| Large | 9,471 | 21.1 | 25.0 | 1,622 | 13.4 | 19.5 | 2,586 | 44.5 | 37.8 |
| Small | 5,390 | 18.9 | 31.5 | 793 | 7.6 | 31.8 | 1,218 | 41.1 | 47.0 |
| Nonmetro | 4,757 | 14.5 | 27.9 | 725 | 1.8 | 44.2 | 905 | 41.5 | 43.8 |
| Adjacent to large metro | 709 | 21.0 | 30.7 | 111 | 9.8 | 44.7 | 134 | 48.0 | 46.2 |
| Adjacent to small metro | 1,640 | 17.3 | 28.9 | 255 | 5.3 | 46.1 | 317 | 44.8 | 46.6 |
| Nonadjacent with city | 1,160 | 11.6 | 29.4 | 166 | -3.4 | 36.1 | 222 | 35.9 | 46.2 |
| Nonadjacent without city | 1,246 | 10.5 | 24.0 | 192 | -2.0 | 49.2 | 232 | 39.1 | 37.0 |
| South | 28,060 | 32.0 | 46.4 | 4,510 | 21.2 | 51.1 | 6,707 | 56.6 | 69.5 |
| Metro | 21,676 | 34.6 | 48.7 | 3,531 | 24.0 | 49.5 | 5,523 | 58.7 | 71.2 |
| Large | 10,106 | 37.5 | 49.3 | 1,709 | 30.1 | 52.5 | 2,821 | 62.7 | 74.0 |
| Small | 11,571 | 32.2 | 48.2 | 1,822 | 18.8 | 47.0 | 2,702 | 54.6 | 68.6 |
| Nonmetro | 6,384 | 24.0 | 39.8 | 979 | 12.1 | 56.3 | 1,185 | 47.9 | 62.5 |
| Adjacent to large metro | 553 | 44.3 | 54.3 | 91 | 34.2 | 75.6 | 112 | 77.5 | 85.6 |
| Adjacent to small metro | 2,676 | 26.7 | 42.7 | 410 | 16.2 | 62.8 | 507 | 52.1 | 68.1 |
| Nonadjacent with city | 1,611 | 20.1 | 37.0 | 231 | 3.1 | 45.5 | 298 | 38.8 | 57.3 |
| Nonadjacent without city | 1,545 | 17.9 | 34.5 | 247 | 8.2 | 53.0 | 268 | 40.9 | 53.0 |
| West | 18,207 | 34.2 | 51.4 | 2,799 | 25.4 | 49.7 | 4,829 | 53.7 | 75.9 |
| Metro | 15,697 | 35.5 | 50.4 | 2,455 | 27.4 | 48.1 | 4,330 | 54.5 | 74.1 |
| Large | 11,247 | 35.9 | 46.1 | 1,819 | 28.6 | 43.3 | 3,286 | 55.7 | 68.6 |
| Small | 4,451 | 34.4 | 62.1 | 636 | 24.1 | 63.3 | 1,045 | 50.8 | 93.1 |
| Nonmetro | 2,511 | 26.9 | 57.4 | 344 | 12.7 | 60.1 | 499 | 47.0 | 92.6 |
| Adjacent to large metro | 214 | 49.5 | 68.8 | 30 | 48.9 | 70.2 | 46 | 72.7 | 107.4 |
| Adjacent to small metro | 656 | 37.1 | 64.0 | 86 | 26.0 | 82.0 | 135 | 60.2 | 96.7 |
| Nonadjacent with city | 959 | 21.6 | 55.2 | 134 | 4.3 | 51.1 | 192 | 36.3 | 90.3 |
| Nonadjacent without city | 682 | 19.8 | 52.8 | 95 | 6.6 | 56.8 | 126 | 43.6 | 88.5 |
| Nonmetro county type: | | | | | | | | | |
| Farming-dependent | 1,960 | 14.5 | 27.3 | 326 | 3.4 | 56.4 | 368 | 41.7 | 44.7 |
| Mining-dependent | 904 | 14.1 | 40.6 | 144 | 1.3 | 54.7 | 162 | 35.7 | 58.9 |
| Manufacturing-dependent | 5,699 | 22.2 | 34.7 | 870 | 11.9 | 45.3 | 1,086 | 45.4 | 54.3 |
| Persistent low-income | 765 | 21.0 | 37.6 | 118 | 12.9 | 63.1 | 129 | 45.7 | 56.7 |
| Retirement-destination | 3,692 | 37.6 | 59.3 | 513 | 26.2 | 70.4 | 743 | 65.8 | 87.7 |

See notes at end of table.

—Continued

## Appendix table 19—Employment by Industry, 1970-90—Continued

| | Services | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Consumer | | | Retail | | | Public | | |
| | Number | Change: | | Number | Change: | | Number | Change: | |
| Area | 1990 | 1980-90 | 1970-80 | 1990 | 1980-90 | 1970-80 | 1990 | 1980-90 | 1970-80 |
| | *Thousand* | ------*Percent*------ | | *Thousand* | ------*Percent*------ | | *Thousand* | ------*Percent*------ | |
| United States | 14,988 | 32.2 | 34.7 | 19,486 | 24.0 | 28.4 | 15,172 | 12.2 | 30.7 |
| Metro | 12,128 | 34.0 | 36.8 | 15,431 | 24.3 | 29.1 | 11,900 | 12.7 | 28.4 |
| Large | 7,203 | 33.8 | 35.2 | 8,956 | 22.0 | 24.8 | 6,838 | 11.7 | 22.8 |
| Small | 4,925 | 34.3 | 39.1 | 6,475 | 27.7 | 35.9 | 5,062 | 14.0 | 37.1 |
| Nonmetro | 2,860 | 25.2 | 27.1 | 4,054 | 22.7 | 25.8 | 3,272 | 10.5 | 39.3 |
| Adjacent to large metro | 330 | 35.2 | 33.7 | 481 | 31.3 | 30.9 | 367 | 17.3 | 41.0 |
| Adjacent to small metro | 1,089 | 27.5 | 26.8 | 1,534 | 26.5 | 26.4 | 1,259 | 12.2 | 40.6 |
| Nonadjacent with city | 738 | 22.6 | 26.4 | 1,065 | 20.3 | 30.9 | 854 | 9.9 | 38.8 |
| Nonadjacent without city | 703 | 20.3 | 25.6 | 975 | 15.9 | 18.3 | 792 | 5.7 | 37.3 |
| Northeast | 3,333 | 29.7 | 29.2 | 3,862 | 19.1 | 10.3 | 3,260 | 9.1 | 19.7 |
| Metro | 2,994 | 29.7 | 28.7 | 3,416 | 17.8 | 8.8 | 2,873 | 8.5 | 18.0 |
| Large | 2,010 | 28.4 | 25.2 | 2,160 | 13.1 | 4.6 | 1,846 | 7.6 | 12.9 |
| Small | 984 | 32.4 | 36.7 | 1,256 | 26.9 | 18.0 | 1,026 | 10.3 | 28.9 |
| Nonmetro | 339 | 29.5 | 34.0 | 446 | 30.3 | 24.7 | 388 | 13.5 | 34.6 |
| Adjacent to large metro | 69 | 34.5 | 43.0 | 90 | 29.1 | 32.4 | 66 | 12.5 | 36.6 |
| Adjacent to small metro | 181 | 30.0 | 34.7 | 237 | 30.7 | 22.1 | 202 | 12.3 | 33.7 |
| Nonadjacent with city | 42 | 20.5 | 24.0 | 58 | 29.2 | 21.9 | 69 | 17.2 | 33.3 |
| Nonadjacent without city | 47 | 28.7 | 30.2 | 60 | 31.4 | 27.3 | 51 | 14.8 | 37.2 |
| Midwest | 3,543 | 21.6 | 31.5 | 4,823 | 15.3 | 18.9 | 3,403 | 5.0 | 22.8 |
| Metro | 2,630 | 23.3 | 33.1 | 3,552 | 16.0 | 20.7 | 2,460 | 5.1 | 21.6 |
| Large | 1,641 | 24.3 | 33.4 | 2,165 | 14.4 | 18.2 | 1,457 | 4.9 | 18.5 |
| Small | 989 | 21.8 | 32.6 | 1,387 | 18.5 | 25.0 | 1,003 | 5.4 | 26.3 |
| Nonmetro | 913 | 16.7 | 27.4 | 1,271 | 13.5 | 14.2 | 943 | 4.9 | 25.9 |
| Adjacent to large metro | 134 | 25.0 | 29.7 | 193 | 20.4 | 18.2 | 137 | 7.9 | 29.0 |
| Adjacent to small metro | 313 | 18.2 | 27.3 | 432 | 15.6 | 15.1 | 323 | 8.0 | 26.2 |
| Nonadjacent with city | 220 | 14.2 | 25.7 | 318 | 12.0 | 21.5 | 234 | 2.9 | 27.5 |
| Nonadjacent without city | 245 | 13.0 | 28.1 | 328 | 8.6 | 5.4 | 249 | 1.3 | 22.7 |
| South | 4,853 | 36.1 | 33.1 | 6,635 | 30.8 | 40.2 | 5,355 | 16.2 | 42.8 |
| Metro | 3,697 | 39.7 | 38.5 | 4,943 | 32.3 | 44.8 | 3,982 | 17.5 | 41.2 |
| Large | 1,600 | 41.9 | 40.9 | 2,153 | 32.8 | 44.4 | 1,823 | 17.5 | 35.9 |
| Small | 2,097 | 38.0 | 36.8 | 2,790 | 31.9 | 45.0 | 2,160 | 17.5 | 46.1 |
| Nonmetro | 1,156 | 25.8 | 19.6 | 1,691 | 26.8 | 28.9 | 1,373 | 12.6 | 47.5 |
| Adjacent to large metro | 88 | 44.7 | 27.8 | 140 | 44.1 | 43.0 | 122 | 29.4 | 56.6 |
| Adjacent to small metro | 479 | 28.0 | 19.1 | 699 | 30.2 | 30.9 | 581 | 12.9 | 51.3 |
| Nonadjacent with city | 308 | 22.8 | 20.7 | 441 | 24.0 | 29.9 | 333 | 12.6 | 43.0 |
| Nonadjacent without city | 281 | 20.5 | 17.5 | 412 | 19.5 | 21.8 | 337 | 7.2 | 43.4 |
| West | 3,259 | 42.8 | 49.2 | 4,167 | 29.3 | 48.6 | 3,153 | 17.3 | 35.2 |
| Metro | 2,807 | 43.2 | 49.8 | 3,520 | 29.8 | 48.1 | 2,585 | 18.2 | 32.0 |
| Large | 1,952 | 42.6 | 45.6 | 2,478 | 29.2 | 43.8 | 1,712 | 16.7 | 27.3 |
| Small | 855 | 44.5 | 60.6 | 1,042 | 31.3 | 59.8 | 873 | 21.2 | 42.7 |
| Nonmetro | 452 | 40.5 | 46.0 | 647 | 26.8 | 51.1 | 569 | 13.2 | 51.3 |
| Adjacent to large metro | 38 | 57.8 | 50.6 | 58 | 47.7 | 65.6 | 42 | 27.2 | 61.6 |
| Adjacent to small metro | 116 | 52.5 | 57.6 | 166 | 37.0 | 58.3 | 153 | 18.8 | 48.6 |
| Nonadjacent with city | 168 | 35.8 | 42.3 | 248 | 23.4 | 52.2 | 217 | 11.6 | 49.5 |
| Nonadjacent without city | 130 | 32.9 | 41.3 | 175 | 17.6 | 41.3 | 156 | 7.1 | 54.0 |
| Nonmetro county type: | | | | | | | | | |
| Farming-dependent | 357 | 16.5 | 22.8 | 493 | 11.2 | 8.5 | 416 | 7.4 | 26.5 |
| Mining-dependent | 162 | 22.1 | 29.0 | 236 | 11.9 | 30.9 | 200 | 6.9 | 41.4 |
| Manufacturing-dependent | 1,057 | 24.0 | 23.9 | 1,562 | 24.2 | 23.3 | 1,124 | 9.1 | 39.8 |
| Persistent Low-income | 137 | 24.0 | 15.8 | 194 | 27.5 | 21.7 | 187 | 5.9 | 48.9 |
| Retirement-destination | 701 | 41.8 | 46.1 | 997 | 39.2 | 48.6 | 738 | 19.6 | 60.0 |

Notes: .0 = Increase of less than 0.1 percent. -.0 = Decline of less than 0.1 percent. See "Industry" in the Appendix for definitions of categories shown in this table.

## Appendix table 20—Commuting patterns of employed persons, 1980-90

| Area | Share working at home | | | Average time commuting | | | Share commuting 30 minutes or longer | | |
|---|---|---|---|---|---|---|---|---|---|
| | 1990 | 1980 | Change | 1990 | 1980 | Change | 1990 | 1980 | Change |
| | ------Percent------ | | Percentage point | ------Minutes------ | | Percent | -----Percent----- | | Percentage point |
| United States | 3.0 | 2.3 | 0.7 | 22.4 | 21.7 | 3.1 | 36.0 | 28.5 | 7.5 |
| Metro | 2.6 | 1.6 | .9 | 23.2 | 22.6 | 2.6 | 38.6 | 30.5 | 8.1 |
| Large | 2.6 | 1.5 | 1.1 | 25.5 | 25.0 | 2.0 | 46.2 | 36.8 | 9.4 |
| Small | 2.6 | 1.8 | .8 | 19.8 | 19.1 | 3.7 | 27.2 | 21.0 | 6.2 |
| Nonmetro | 4.4 | 4.4 | -.0 | 19.1 | 18.3 | 4.6 | 26.3 | 21.2 | 5.1 |
| Adjacent to large metro | 4.0 | 3.9 | .1 | 22.2 | 20.5 | 8.3 | 35.0 | 24.6 | 10.4 |
| Adjacent to small metro | 4.1 | 4.2 | -.0 | 20.3 | 19.4 | 4.7 | 30.7 | 24.1 | 6.6 |
| Nonadjacent with city | 3.5 | 3.2 | .3 | 16.6 | 16.1 | 3.2 | 18.0 | 15.2 | 2.8 |
| Nonadjacent without city | 5.8 | 6.2 | -.4 | 18.1 | 17.6 | 2.7 | 24.0 | 21.0 | 3.0 |
| Northeast | 2.6 | 1.8 | .8 | 24.5 | 24.5 | .0 | 39.9 | 34.0 | 6.0 |
| Metro | 2.4 | 1.6 | .8 | 25.2 | 25.2 | -.2 | 41.4 | 35.4 | 5.9 |
| Large | 2.3 | 1.5 | .8 | 27.8 | 28.3 | -1.6 | 48.3 | 42.8 | 5.5 |
| Small | 2.6 | 1.9 | .7 | 20.2 | 19.2 | 4.9 | 27.8 | 21.1 | 6.7 |
| Nonmetro | 4.5 | 3.8 | .7 | 19.1 | 18.5 | 3.6 | 27.2 | 21.1 | 6.1 |
| Adjacent to large metro | 3.7 | 2.8 | .8 | 21.0 | 20.3 | 3.2 | 31.6 | 24.0 | 7.5 |
| Adjacent to small metro | 4.5 | 3.8 | .7 | 19.6 | 18.7 | 4.4 | 28.3 | 21.9 | 6.5 |
| Nonadjacent with city | 4.2 | 4.1 | .1 | 16.3 | 15.8 | 3.0 | 20.0 | 15.4 | 4.6 |
| Nonadjacent without city | 5.5 | 4.7 | .8 | 17.4 | 17.2 | 1.4 | 23.1 | 18.9 | 4.2 |
| Midwest | 3.6 | 3.4 | .2 | 20.7 | 20.0 | 3.7 | 29.0 | 24.8 | 4.2 |
| Metro | 2.5 | 1.8 | .7 | 21.8 | 21.3 | 2.2 | 31.4 | 27.4 | 4.0 |
| Large | 2.3 | 1.4 | .8 | 23.9 | 23.6 | 1.5 | 38.6 | 33.9 | 4.7 |
| Small | 2.9 | 2.4 | .5 | 18.0 | 17.4 | 3.7 | 19.2 | 16.4 | 2.8 |
| Nonmetro | 6.5 | 7.5 | -1.0 | 17.8 | 16.4 | 8.6 | 22.3 | 17.6 | 4.6 |
| Adjacent to large metro | 4.8 | 5.4 | -.5 | 20.9 | 19.2 | 9.4 | 29.5 | 22.5 | 7.1 |
| Adjacent to small metro | 6.2 | 7.3 | -1.0 | 19.3 | 17.7 | 8.8 | 27.1 | 21.3 | 5.7 |
| Nonadjacent with city | 4.8 | 4.9 | -.1 | 15.1 | 14.3 | 5.7 | 14.1 | 11.5 | 2.5 |
| Nonadjacent without city | 9.2 | 11.0 | -1.8 | 16.1 | 14.8 | 9.1 | 19.0 | 15.4 | 3.7 |
| South | 2.4 | 1.7 | .7 | 22.0 | 21.5 | 2.1 | 36.6 | 28.5 | 8.1 |
| Metro | 2.3 | 1.4 | .9 | 22.5 | 22.1 | 2.0 | 39.2 | 29.8 | 9.4 |
| Large | 2.5 | 1.3 | 1.1 | 25.3 | 24.8 | 1.8 | 50.9 | 37.9 | 13.0 |
| Small | 2.2 | 1.4 | .8 | 20.2 | 19.9 | 1.6 | 30.2 | 23.6 | 6.6 |
| Nonmetro | 2.7 | 2.4 | .3 | 20.5 | 20.2 | 1.9 | 29.9 | 25.0 | 4.9 |
| Adjacent to large metro | 3.0 | 2.5 | .5 | 24.9 | 23.3 | 7.1 | 45.1 | 29.8 | 15.3 |
| Adjacent to small metro | 2.7 | 2.4 | .3 | 21.4 | 21.0 | 1.9 | 33.4 | 27.2 | 6.2 |
| Nonadjacent with city | 2.2 | 1.9 | .3 | 17.7 | 17.5 | 1.3 | 20.4 | 17.9 | 2.5 |
| Nonadjacent without city | 3.2 | 3.0 | .3 | 20.5 | 20.6 | -.4 | 29.1 | 26.9 | 2.2 |
| West | 3.5 | 2.2 | 1.3 | 22.7 | 21.1 | 7.8 | 39.7 | 27.2 | 12.4 |
| Metro | 3.3 | 1.9 | 1.3 | 23.6 | 21.9 | 7.7 | 42.5 | 29.1 | 13.5 |
| Large | 3.2 | 1.8 | 1.4 | 24.9 | 23.1 | 7.8 | 47.5 | 32.4 | 15.1 |
| Small | 3.4 | 2.3 | 1.1 | 20.3 | 19.0 | 7.1 | 29.9 | 20.5 | 9.3 |
| Nonmetro | 4.8 | 3.9 | .9 | 17.5 | 16.4 | 6.7 | 23.5 | 17.1 | 6.5 |
| Adjacent to large metro | 4.4 | 3.1 | 1.3 | 21.0 | 18.6 | 13.4 | 36.9 | 20.3 | 16.6 |
| Adjacent to small metro | 4.6 | 3.7 | .8 | 19.4 | 17.6 | 10.3 | 31.6 | 20.2 | 11.5 |
| Nonadjacent with city | 4.1 | 3.0 | 1.1 | 16.5 | 16.0 | 3.5 | 18.4 | 14.8 | 3.6 |
| Nonadjacent without city | 6.1 | 5.2 | .8 | 15.9 | 15.5 | 2.4 | 19.9 | 16.5 | 3.4 |
| Nonmetro county type: | | | | | | | | | |
| Farming-dependent | 7.6 | 9.4 | -1.8 | 18.5 | 17.1 | 8.2 | 26.2 | 20.8 | 5.4 |
| Mining-dependent | 3.4 | 2.7 | .8 | 20.1 | 20.6 | -2.2 | 26.2 | 27.1 | -.8 |
| Manufacturing-dependent | 3.5 | 3.3 | .2 | 19.6 | 18.6 | 5.1 | 26.8 | 21.5 | 5.3 |
| Persistent low-income | 3.2 | 3.0 | .1 | 23.2 | 23.1 | .4 | 37.5 | 32.7 | 4.9 |
| Retirement-destination | 4.2 | 3.8 | .4 | 20.3 | 19.3 | 4.8 | 32.2 | 23.1 | 9.1 |

Note: .0 = Increase of less than 0.1 percent. -.0 = Decline of less than 0.1 percent.

## Appendix table 21—Additional commuting information on employed persons, 1980-90

| | Share working in another county | | | Share working in area, 1990: | |
|---|---|---|---|---|---|
| Area | 1990 | 1980 | Change, 1980-90 | Metro | Nonmetro |
| | *-----Percent-----* | | *Percentage point* | *--------Percent--------* | |
| United States | 20.4 | 17.7 | 2.7 | 74.5 | 25.5 |
| Metro | 20.4 | 18.0 | 2.5 | 90.4 | 9.6 |
| Large | 23.8 | 21.5 | 2.3 | 90.4 | 9.6 |
| Small | 15.5 | 12.9 | 2.6 | 90.4 | 9.6 |
| Nonmetro | 20.3 | 16.6 | 3.7 | 13.7 | 86.3 |
| Adjacent to large metro | 27.9 | 22.4 | 5.6 | 24.2 | 75.8 |
| Adjacent to small metro | 25.4 | 20.9 | 4.5 | 22.0 | 78.0 |
| Nonadjacent with city | 10.0 | 8.8 | 1.2 | 5.5 | 94.5 |
| Nonadjacent without city | 18.6 | 15.3 | 3.3 | 3.9 | 96.1 |
| Northeast | 26.1 | 23.8 | 2.3 | 76.8 | 23.2 |
| Metro | 26.8 | 24.7 | 2.1 | 83.8 | 16.2 |
| Large | 31.4 | 30.0 | 1.4 | 84.8 | 15.2 |
| Small | 18.0 | 14.4 | 3.6 | 81.9 | 18.1 |
| Nonmetro | 20.2 | 16.2 | 4.0 | 18.9 | 81.1 |
| Adjacent to large metro | 26.5 | 22.8 | 3.7 | 27.3 | 72.7 |
| Adjacent to small metro | 21.9 | 17.1 | 4.8 | 23.5 | 76.5 |
| Nonadjacent with city | 6.7 | 4.5 | 2.1 | 2.2 | 97.8 |
| Nonadjacent without city | 17.4 | 14.8 | 2.6 | 4.5 | 95.5 |
| Midwest | 20.4 | 16.5 | 3.9 | 71.0 | 29.0 |
| Metro | 20.2 | 16.5 | 3.7 | 92.6 | 7.4 |
| Large | 23.7 | 19.6 | 4.1 | 93.2 | 6.8 |
| Small | 14.2 | 11.4 | 2.9 | 91.4 | 8.6 |
| Nonmetro | 21.0 | 16.5 | 4.4 | 12.6 | 87.4 |
| Adjacent to large metro | 27.1 | 21.5 | 5.6 | 22.6 | 77.4 |
| Adjacent to small metro | 26.7 | 21.3 | 5.4 | 20.2 | 79.8 |
| Nonadjacent with city | 11.5 | 9.5 | 2.0 | 4.7 | 95.3 |
| Nonadjacent without city | 17.7 | 13.6 | 4.1 | 3.1 | 96.9 |
| South | 20.9 | 18.0 | 3.0 | 72.6 | 27.4 |
| Metro | 20.2 | 17.4 | 2.8 | 93.8 | 6.2 |
| Large | 24.0 | 20.8 | 3.2 | 94.0 | 6.0 |
| Small | 17.0 | 14.7 | 2.3 | 93.6 | 6.4 |
| Nonmetro | 23.1 | 19.4 | 3.6 | 13.9 | 86.1 |
| Adjacent to large metro | 33.0 | 26.3 | 6.7 | 26.9 | 73.1 |
| Adjacent to small metro | 27.3 | 23.1 | 4.2 | 21.8 | 78.2 |
| Nonadjacent with city | 12.5 | 11.4 | 1.2 | 5.0 | 95.0 |
| Nonadjacent without city | 22.8 | 19.2 | 3.5 | 4.9 | 95.1 |
| West | 14.1 | 12.0 | 2.1 | 79.1 | 20.9 |
| Metro | 14.6 | 12.6 | 2.0 | 90.4 | 9.6 |
| Large | 16.5 | 14.6 | 1.9 | 90.1 | 9.9 |
| Small | 9.8 | 7.7 | 2.1 | 91.1 | 8.9 |
| Nonmetro | 10.9 | 8.5 | 2.3 | 12.0 | 88.0 |
| Adjacent to large metro | 19.8 | 14.5 | 5.3 | 18.2 | 81.8 |
| Adjacent to small metro | 18.1 | 14.0 | 4.1 | 25.2 | 74.8 |
| Nonadjacent with city | 4.2 | 4.0 | .2 | 8.2 | 91.8 |
| Nonadjacent without city | 9.9 | 8.4 | 1.5 | 2.5 | 97.5 |
| Nonmetro county type: | | | | | |
| Farming-dependent | 24.5 | 19.2 | 5.3 | 13.9 | 86.1 |
| Mining-dependent | 18.7 | 15.3 | 3.4 | 8.9 | 91.1 |
| Manufacturing-dependent | 22.7 | 18.3 | 4.4 | 15.6 | 84.4 |
| Persistent low-income | 31.2 | 26.3 | 4.9 | 13.6 | 86.4 |
| Retirement-destination | 20.5 | 17.3 | 3.3 | 16.3 | 83.7 |

## Appendix table 22—Median family income, 1969-89

| | | | | Real income | | | | |
|---|---|---|---|---|---|---|---|---|
| | Current income | | | | | | Change: | |
| Area | 1989 | 1979 | 1969 | 1989 | 1979 | 1969 | 1979-89 | 1969-79 |
| | *Dollars* | | | *1989 dollars* | | | *Percent* | |
| United States | 35,224 | 19,916 | 9,589 | 35,224 | 33,645 | 30,734 | 4.7 | 9.5 |
| Metro | 37,933 | 21,104 | 9,962 | 37,933 | 35,651 | 31,931 | 6.4 | 11.7 |
| Large | 40,975 | 22,174 | 9,882 | 40,975 | 37,459 | 31,676 | 9.4 | 18.3 |
| Small | 34,476 | 19,703 | 9,419 | 34,476 | 33,285 | 30,191 | 3.6 | 10.2 |
| Nonmetro | 27,620 | 16,451 | 7,458 | 27,620 | 27,791 | 23,906 | -.6 | 16.3 |
| Adjacent to large metro | 31,162 | 18,325 | 8,497 | 31,162 | 30,956 | 27,234 | .7 | 13.7 |
| Adjacent to small metro | 28,477 | 16,648 | 7,591 | 28,477 | 28,124 | 24,331 | 1.3 | 15.6 |
| Nonadjacent with city | 28,271 | 17,077 | 7,794 | 28,271 | 28,848 | 24,982 | -2.0 | 15.5 |
| Nonadjacent without city | 24,825 | 14,991 | 6,611 | 24,825 | 25,324 | 21,190 | -2.0 | 19.5 |
| Northeast | 40,414 | 20,650 | 9,944 | 40,414 | 34,885 | 31,873 | 15.8 | 9.5 |
| Metro | 41,656 | 21,116 | 9,912 | 41,656 | 35,672 | 31,771 | 16.8 | 12.3 |
| Large | 43,283 | 21,570 | 9,879 | 43,283 | 36,439 | 31,664 | 18.8 | 15.1 |
| Small | 39,272 | 20,342 | 9,976 | 39,272 | 34,365 | 31,977 | 14.3 | 7.5 |
| Nonmetro | 31,833 | 17,341 | 8,559 | 31,833 | 29,295 | 27,433 | 8.7 | 6.8 |
| Adjacent to large metro | 34,763 | 19,154 | 9,059 | 34,763 | 32,357 | 29,036 | 7.4 | 11.4 |
| Adjacent to small metro | 31,793 | 17,250 | 8,533 | 31,793 | 29,142 | 27,350 | 9.1 | 6.6 |
| Nonadjacent with city | 31,116 | 16,564 | 8,457 | 31,116 | 27,983 | 27,108 | 11.2 | 3.2 |
| Nonadjacent without city | 29,439 | 16,134 | 8,072 | 29,439 | 27,256 | 25,875 | 8.0 | 5.3 |
| Midwest | 35,028 | 20,987 | 9,985 | 35,028 | 35,455 | 32,005 | -1.2 | 10.8 |
| Metro | 38,052 | 22,473 | 9,872 | 38,052 | 37,964 | 31,642 | .2 | 20.0 |
| Large | 40,241 | 23,404 | 9,809 | 40,241 | 39,538 | 31,441 | 1.8 | 25.8 |
| Small | 35,128 | 21,276 | 9,965 | 35,128 | 35,943 | 31,941 | -2.3 | 12.5 |
| Nonmetro | 28,851 | 17,621 | 8,170 | 28,851 | 29,767 | 26,187 | -3.1 | 13.7 |
| Adjacent to large metro | 31,055 | 19,036 | 8,943 | 31,055 | 32,158 | 28,666 | -3.4 | 12.2 |
| Adjacent to small metro | 30,326 | 18,508 | 8,600 | 30,326 | 31,267 | 27,564 | -3.0 | 13.4 |
| Nonadjacent with city | 29,384 | 18,170 | 8,336 | 29,384 | 30,695 | 26,720 | -4.3 | 14.9 |
| Nonadjacent without city | 25,778 | 15,685 | 7,140 | 25,778 | 26,498 | 22,885 | -2.7 | 15.8 |
| South | 31,489 | 17,856 | 8,078 | 31,489 | 30,164 | 25,892 | 4.4 | 16.5 |
| Metro | 34,640 | 19,531 | 9,003 | 34,640 | 32,995 | 28,857 | 5.0 | 14.3 |
| Large | 38,562 | 21,354 | 9,999 | 38,562 | 36,074 | 32,048 | 6.9 | 12.6 |
| Small | 32,008 | 18,295 | 8,388 | 32,008 | 30,906 | 26,887 | 3.6 | 14.9 |
| Nonmetro | 25,522 | 14,950 | 6,321 | 25,522 | 25,255 | 20,262 | 1.1 | 24.6 |
| Adjacent to large metro | 29,620 | 16,634 | 7,072 | 29,620 | 28,101 | 22,668 | 5.4 | 24.0 |
| Adjacent to small metro | 26,171 | 15,209 | 6,439 | 26,171 | 25,693 | 20,638 | 1.9 | 24.5 |
| Nonadjacent with city | 26,545 | 15,686 | 6,843 | 26,545 | 26,499 | 21,932 | .2 | 20.8 |
| Nonadjacent without city | 22,553 | 13,621 | 5,629 | 22,553 | 23,010 | 18,044 | -2.0 | 27.5 |
| West | 37,141 | 20,973 | 9,973 | 37,141 | 35,431 | 31,966 | 4.8 | 10.8 |
| Metro | 39,313 | 21,658 | 9,923 | 39,313 | 36,588 | 31,807 | 7.4 | 15.0 |
| Large | 41,573 | 22,380 | 9,868 | 41,573 | 37,807 | 31,631 | 10.0 | 19.5 |
| Small | 34,524 | 20,091 | 9,553 | 34,524 | 33,940 | 30,619 | 1.7 | 10.8 |
| Nonmetro | 29,236 | 17,867 | 8,369 | 29,236 | 30,184 | 26,825 | -3.1 | 12.5 |
| Adjacent to large metro | 30,630 | 18,151 | 8,675 | 30,630 | 30,663 | 27,806 | -.1 | 10.3 |
| Adjacent to small metro | 30,050 | 17,352 | 8,235 | 30,050 | 29,314 | 26,397 | 2.5 | 11.1 |
| Nonadjacent with city | 29,721 | 18,820 | 8,735 | 29,721 | 31,793 | 27,998 | -6.5 | 13.6 |
| Nonadjacent without city | 27,379 | 17,136 | 7,959 | 27,379 | 28,949 | 25,511 | -5.4 | 13.5 |
| Nonmetro county type: | | | | | | | | |
| Farming-dependent | 25,635 | 15,389 | 6,814 | 25,635 | 25,997 | 21,840 | -1.4 | 19.0 |
| Mining-dependent | 24,507 | 17,069 | 7,025 | 24,507 | 28,834 | 22,518 | -15.0 | 28.0 |
| Manufacturing-dependent | 28,863 | 16,930 | 7,900 | 28,863 | 28,600 | 25,321 | .9 | 12.9 |
| Persistent low-income | 20,505 | 12,013 | 4,796 | 20,505 | 20,295 | 15,371 | 1.0 | 32.0 |
| Retirement-destination | 27,219 | 15,470 | 6,932 | 27,219 | 26,134 | 22,219 | 4.2 | 17.6 |

## Appendix table 23—Number of poor persons by race and ethnicity, 1969-89

| Area | Total | | | | | White | | |
|---|---|---|---|---|---|---|---|---|
| | | | | Change: | | | | Change, |
| | 1989 | 1979 | 1969 | 1979-89 | 1969-79 | 1989 | 1979 | 1979-89 |
| | *Thousand* | | | *Percent* | | *Thousand* | | *Percent* |
| United States | 31,743 | 27,393 | 27,125 | 15.9 | 1.0 | 19,025 | 17,276 | 10.1 |
| Metro | 22,523 | 19,095 | 17,438 | 18.0 | 9.5 | 12,392 | 11,305 | 9.6 |
| Large | 12,729 | 10,938 | 9,498 | 16.4 | 15.2 | 6,176 | 5,876 | 5.1 |
| Small | 9,794 | 8,156 | 7,940 | 20.1 | 2.7 | 6,216 | 5,429 | 14.5 |
| Nonmetro | 9,220 | 8,298 | 9,687 | 11.1 | -14.3 | 6,633 | 5,971 | 11.1 |
| Adjacent to large metro | 823 | 676 | 725 | 21.7 | -6.8 | 666 | 545 | 22.3 |
| Adjacent to small metro | 3,387 | 3,073 | 3,585 | 10.2 | -14.3 | 2,412 | 2,184 | 10.4 |
| Nonadjacent with city | 2,210 | 1,868 | 2,091 | 18.3 | -10.7 | 1,478 | 1,261 | 17.2 |
| Nonadjacent without city | 2,800 | 2,680 | 3,286 | 4.5 | -18.4 | 2,077 | 1,981 | 4.8 |
| Northeast | 5,214 | 5,343 | 4,821 | -2.4 | 10.8 | 3,147 | 3,486 | -9.7 |
| Metro | 4,588 | 4,724 | 4,212 | -2.9 | 12.2 | 2,550 | 2,888 | -11.7 |
| Large | 3,231 | 3,367 | 2,953 | -4.0 | 14.0 | 1,524 | 1,788 | -14.8 |
| Small | 1,358 | 1,357 | 1,259 | .0 | 7.9 | 1,026 | 1,100 | -6.7 |
| Nonmetro | 626 | 619 | 608 | 1.2 | 1.7 | 598 | 598 | -.1 |
| Adjacent to large metro | 114 | 101 | 101 | 13.6 | -.2 | 107 | 95 | 12.5 |
| Adjacent to small metro | 321 | 328 | 324 | -2.0 | 1.0 | 309 | 318 | -2.9 |
| Nonadjacent with city | 94 | 93 | 89 | 1.3 | 4.4 | 88 | 90 | -2.0 |
| Nonadjacent without city | 97 | 98 | 94 | -1.0 | 3.5 | 94 | 96 | -1.6 |
| Midwest | 6,971 | 6,010 | 5,952 | 16.0 | 1.0 | 4,760 | 4,298 | 10.8 |
| Metro | 4,737 | 3,986 | 3,653 | 18.9 | 9.1 | 2,714 | 2,429 | 11.7 |
| Large | 2,923 | 2,541 | 2,293 | 15.0 | 10.8 | 1,368 | 1,297 | 5.5 |
| Small | 1,815 | 1,445 | 1,360 | 25.5 | 6.3 | 1,345 | 1,132 | 18.8 |
| Nonmetro | 2,234 | 2,024 | 2,298 | 10.4 | -12.0 | 2,047 | 1,869 | 9.5 |
| Adjacent to large metro | 304 | 252 | 270 | 20.7 | -6.7 | 286 | 239 | 19.6 |
| Adjacent to small metro | 699 | 629 | 702 | 11.1 | -10.4 | 654 | 600 | 9.0 |
| Nonadjacent with city | 500 | 421 | 472 | 18.8 | -10.7 | 444 | 383 | 16.0 |
| Nonadjacent without city | 731 | 722 | 855 | 1.2 | -15.6 | 663 | 646 | 2.5 |
| South | 13,065 | 11,285 | 12,388 | 15.8 | -8.9 | 7,259 | 6,331 | 14.7 |
| Metro | 8,060 | 6,633 | 6,519 | 21.5 | 1.8 | 4,225 | 3,559 | 18.7 |
| Large | 3,100 | 2,449 | 2,185 | 26.6 | 12.1 | 1,456 | 1,209 | 20.4 |
| Small | 4,959 | 4,184 | 4,334 | 18.5 | -3.5 | 2,769 | 2,350 | 17.8 |
| Nonmetro | 5,006 | 4,652 | 5,869 | 7.6 | -20.8 | 3,034 | 2,772 | 9.5 |
| Adjacent to large metro | 303 | 252 | 295 | 20.2 | -14.5 | 194 | 153 | 26.5 |
| Adjacent to small metro | 2,025 | 1,873 | 2,348 | 8.1 | -20.2 | 1,195 | 1,070 | 11.7 |
| Nonadjacent with city | 1,116 | 1,003 | 1,218 | 11.3 | -17.7 | 597 | 540 | 10.5 |
| Nonadjacent without city | 1,561 | 1,524 | 2,008 | 2.5 | -24.1 | 1,048 | 1,008 | 4.0 |
| West | 6,492 | 4,755 | 3,965 | 36.5 | 19.9 | 3,859 | 3,161 | 22.1 |
| Metro | 5,138 | 3,751 | 3,054 | 37.0 | 22.8 | 2,905 | 2,429 | 19.6 |
| Large | 3,476 | 2,582 | 2,067 | 34.6 | 24.9 | 1,828 | 1,582 | 15.6 |
| Small | 1,662 | 1,169 | 987 | 42.1 | 18.4 | 1,076 | 847 | 27.1 |
| Nonmetro | 1,354 | 1,004 | 911 | 34.9 | 10.3 | 954 | 732 | 30.3 |
| Adjacent to large metro | 101 | 71 | 59 | 42.0 | 20.3 | 80 | 57 | 38.9 |
| Adjacent to small metro | 342 | 244 | 210 | 40.3 | 15.8 | 254 | 196 | 29.7 |
| Nonadjacent with city | 500 | 352 | 313 | 42.0 | 12.5 | 349 | 248 | 40.5 |
| Nonadjacent without city | 411 | 337 | 328 | 22.0 | 2.7 | 272 | 231 | 17.7 |
| Nonmetro county type: | | | | | | | | |
| Farming-dependent | 1,388 | 1,369 | 1,678 | 1.4 | -18.4 | 989 | 984 | .5 |
| Mining-dependent | 806 | 637 | 805 | 26.5 | -20.8 | 651 | 519 | 25.6 |
| Manufacturing-dependent | 3,179 | 2,980 | 3,474 | 6.7 | -14.2 | 2,295 | 2,132 | 7.7 |
| Persistent low-income | 998 | 998 | 1,309 | .0 | -23.8 | 552 | 534 | 3.4 |
| Retirement-destination | 2,105 | 1,782 | 1,864 | 18.1 | -4.4 | 1,622 | 1,397 | 16.1 |

See note at end of table.

—Continued

## Appendix table 23—Number of poor persons by race and ethnicity, 1969-89—Continued

| | Black | | | | | Hispanic | | |
|---|---|---|---|---|---|---|---|---|
| | | | | Change: | | | | |
| Area | 1989 | 1979 | 1969 | 1979-89 | 1969-79 | 1989 | 1979 | Change, 1979-89 |
| | Thousand | | | Percent | | Thousand | | Percent |
| United States | 8,441 | 7,590 | 6,760 | 11.2 | 12.3 | 5,403 | 3,370 | 60.3 |
| Metro | 6,618 | 5,858 | 4,530 | 13.0 | 29.3 | 4,698 | 2,896 | 62.2 |
| Large | 4,127 | 3,708 | 2,606 | 11.3 | 42.3 | 3,240 | 2,020 | 60.4 |
| Small | 2,491 | 2,149 | 1,923 | 15.9 | 11.8 | 1,458 | 875 | 66.6 |
| Nonmetro | 1,823 | 1,732 | 2,230 | 5.2 | -22.3 | 706 | 474 | 48.8 |
| Adjacent to large metro | 110 | 99 | 119 | 11.6 | -16.5 | 60 | 36 | 70.0 |
| Adjacent to small metro | 743 | 723 | 935 | 2.7 | -22.6 | 266 | 179 | 48.2 |
| Nonadjacent with city | 503 | 463 | 540 | 8.5 | -14.2 | 217 | 135 | 60.7 |
| Nonadjacent without city | 467 | 447 | 637 | 4.5 | -29.9 | 163 | 125 | 30.5 |
| Northeast | 1,305 | 1,315 | 865 | -.8 | 52.0 | 1,019 | 822 | 24.0 |
| Metro | 1,292 | 1,304 | 858 | -1.0 | 52.0 | 1,007 | 814 | 23.7 |
| Large | 1,091 | 1,123 | 741 | -2.9 | 51.5 | 839 | 705 | 19.0 |
| Small | 201 | 182 | 117 | 10.5 | 55.5 | 168 | 109 | 54.3 |
| Nonmetro | 13 | 10 | 7 | 26.4 | 50.0 | 12 | 8 | 50.3 |
| Adjacent to large metro | 4 | 3 | 2 | 26.5 | 40.4 | 4 | 2 | 112.0 |
| Adjacent to small metro | 7 | 6 | 4 | 13.0 | 42.2 | 6 | 4 | 33.2 |
| Nonadjacent with city | 2 | 1 | 0 | 80.1 | 174.6 | 1 | 1 | 19.7 |
| Nonadjacent without city | 1 | 0 | 0 | 83.1 | 63.5 | 1 | 1 | 31.3 |
| Midwest | 1,763 | 1,428 | 958 | 23.5 | 49.1 | 343 | 236 | 45.1 |
| Metro | 1,692 | 1,372 | 906 | 23.3 | 51.4 | 294 | 207 | 41.7 |
| Large | 1,320 | 1,110 | 736 | 19.0 | 50.8 | 234 | 168 | 39.8 |
| Small | 372 | 263 | 171 | 41.6 | 53.9 | 59 | 40 | 49.8 |
| Nonmetro | 71 | 56 | 51 | 26.6 | 9.2 | 49 | 29 | 69.2 |
| Adjacent to large metro | 11 | 8 | 6 | 34.1 | 31.8 | 6 | 4 | 53.6 |
| Adjacent to small metro | 19 | 14 | 11 | 42.9 | 27.1 | 16 | 10 | 59.2 |
| Nonadjacent with city | 26 | 22 | 20 | 19.7 | 10.7 | 17 | 9 | 85.9 |
| Nonadjacent without city | 14 | 12 | 14 | 15.8 | -16.1 | 10 | 6 | 71.4 |
| South | 4,800 | 4,359 | 4,594 | 10.1 | -5.1 | 1,831 | 1,105 | 65.7 |
| Metro | 3,080 | 2,708 | 2,437 | 13.7 | 11.2 | 1,488 | 846 | 75.8 |
| Large | 1,256 | 1,069 | 847 | 17.4 | 26.2 | 757 | 389 | 94.7 |
| Small | 1,824 | 1,639 | 1,590 | 11.3 | 3.1 | 731 | 457 | 59.8 |
| Nonmetro | 1,719 | 1,651 | 2,158 | 4.1 | -23.5 | 343 | 259 | 32.7 |
| Adjacent to large city | 93 | 86 | 108 | 8.5 | -20.8 | 32 | 19 | 67.5 |
| Adjacent to small city | 710 | 699 | 915 | 1.6 | -23.6 | 145 | 110 | 32.7 |
| Nonadjacent with city | 466 | 433 | 513 | 7.5 | -15.6 | 84 | 60 | 39.6 |
| Nonadjacent without city | 451 | 433 | 622 | 4.1 | -30.3 | 82 | 70 | 17.0 |
| West | 574 | 487 | 343 | 17.7 | 42.0 | 2,211 | 1,207 | 83.2 |
| Metro | 554 | 473 | 329 | 17.2 | 43.7 | 1,909 | 1,028 | 85.7 |
| Large | 460 | 407 | 282 | 13.1 | 44.0 | 1,409 | 758 | 85.8 |
| Small | 94 | 66 | 46 | 42.4 | 42.5 | 500 | 270 | 85.5 |
| Nonmetro | 19 | 15 | 14 | 31.9 | 2.9 | 302 | 179 | 68.7 |
| Adjacent to large metro | 2 | 1 | 1 | 31.3 | 2.5 | 18 | 10 | 73.3 |
| Adjacent to small metro | 7 | 5 | 5 | 42.5 | 1.2 | 99 | 56 | 77.9 |
| Nonadjacent with city | 9 | 7 | 7 | 26.2 | 2.1 | 115 | 65 | 77.3 |
| Nonadjacent without city | 2 | 1 | 1 | 22.8 | 17.1 | 69 | 48 | 45.2 |
| Nonmetro county type: | | | | | | | | |
| Farming-dependent | 256 | 256 | 363 | -.0 | -29.4 | 192 | 120 | 59.5 |
| Mining-dependent | 50 | 44 | 58 | 14.5 | -24.0 | 96 | 62 | 55.6 |
| Manufacturing-dependent | 787 | 754 | 965 | 4.3 | -21.9 | 67 | 54 | 24.5 |
| Persistent low-income | 396 | 385 | 554 | 3.0 | -30.6 | 50 | 43 | 16.3 |
| Retirement-destination | 268 | 244 | 308 | 9.8 | -20.8 | 270 | 164 | 64.5 |

Note: .0 = Increase of less than 0.1 percent. -.0 = Decline of less than 0.1 percent.

## Appendix table 24—Poverty rates for individuals by race and ethnicity, 1969-89

| Area | Total | | | | | White | | |
|---|---|---|---|---|---|---|---|---|
| | | | | Change: | | | | Change, |
| | 1989 | 1979 | 1969 | 1979-89 | 1969-79 | 1989 | 1979 | 1979-89 |
| | Percent | | | Percentage point | | Percent | | Percentage point |
| United States | 13.1 | 12.4 | 13.7 | 0.7 | -1.3 | 9.8 | 9.4 | 0.4 |
| Metro | 12.0 | 11.4 | 11.5 | .7 | -.1 | 8.4 | 8.2 | .2 |
| Large | 11.5 | 11.0 | 10.3 | .5 | .7 | 7.4 | 7.4 | -.0 |
| Small | 12.9 | 11.9 | 13.3 | 1.0 | -1.4 | 9.8 | 9.2 | .5 |
| Nonmetro | 16.8 | 15.7 | 20.9 | 1.1 | -5.3 | 13.8 | 12.9 | 1.0 |
| Adjacent to large metro | 13.2 | 11.9 | 15.0 | 1.3 | -3.1 | 11.6 | 10.4 | 1.2 |
| Adjacent to small metro | 15.8 | 15.1 | 20.2 | .7 | -5.2 | 12.9 | 12.2 | .6 |
| Nonadjacent with city | 17.3 | 15.2 | 19.6 | 2.1 | -4.4 | 13.7 | 12.0 | 1.8 |
| Nonadjacent without city | 19.4 | 18.4 | 25.2 | 1.0 | -6.8 | 16.4 | 15.6 | .8 |
| Northeast | 10.6 | 11.2 | 10.1 | -.6 | 1.1 | 7.7 | 8.4 | -.7 |
| Metro | 10.5 | 11.1 | 9.8 | -.6 | 1.3 | 7.2 | 8.0 | -.8 |
| Large | 11.2 | 11.9 | 10.0 | -.7 | 1.9 | 7.0 | 7.8 | -.9 |
| Small | 9.1 | 9.6 | 9.3 | -.5 | .3 | 7.5 | 8.3 | -.8 |
| Nonmetro | 11.3 | 11.7 | 12.6 | -.4 | -.9 | 11.0 | 11.4 | -.4 |
| Adjacent to large metro | 10.4 | 9.7 | 11.1 | .7 | -1.4 | 10.0 | 9.3 | .7 |
| Adjacent to small metro | 10.8 | 11.4 | 12.4 | -.7 | -.9 | 10.6 | 11.2 | -.7 |
| Nonadjacent with city | 13.5 | 13.9 | 14.0 | -.4 | -.1 | 13.1 | 13.8 | -.6 |
| Nonadjacent without city | 12.6 | 13.2 | 14.2 | -.6 | -1.0 | 12.4 | 13.1 | -.7 |
| Midwest | 12.0 | 10.5 | 10.8 | 1.5 | -.3 | 9.4 | 8.5 | .9 |
| Metro | 11.4 | 9.8 | 9.2 | 1.6 | .6 | 7.8 | 7.0 | .8 |
| Large | 11.2 | 10.0 | 9.1 | 1.2 | .9 | 6.6 | 6.3 | .3 |
| Small | 11.8 | 9.6 | 9.5 | 2.3 | .1 | 9.6 | 8.1 | 1.5 |
| Nonmetro | 13.5 | 12.0 | 14.7 | 1.5 | -2.6 | 12.8 | 11.5 | 1.3 |
| Adjacent to large metro | 12.2 | 10.1 | 11.9 | 2.0 | -1.8 | 11.8 | 9.9 | 1.9 |
| Adjacent to small metro | 12.0 | 10.6 | 12.8 | 1.4 | -2.2 | 11.5 | 10.4 | 1.2 |
| Nonadjacent with city | 14.2 | 11.8 | 14.3 | 2.4 | -2.5 | 13.2 | 11.1 | 2.1 |
| Nonadjacent without city | 15.7 | 14.8 | 18.5 | .9 | -3.6 | 14.8 | 14.0 | .7 |
| South | 15.7 | 15.4 | 20.3 | .4 | -4.9 | 11.3 | 11.0 | .3 |
| Metro | 13.8 | 13.3 | 15.9 | .5 | -2.6 | 9.5 | 9.1 | .4 |
| Large | 12.2 | 11.7 | 12.8 | .5 | -1.1 | 7.9 | 7.6 | .3 |
| Small | 15.0 | 14.4 | 18.1 | .5 | -3.7 | 10.6 | 10.2 | .4 |
| Nonmetro | 20.5 | 19.8 | 29.1 | .6 | -9.3 | 15.6 | 15.0 | .6 |
| Adjacent to large metro | 16.1 | 16.1 | 23.8 | -.1 | -7.7 | 12.3 | 12.0 | .4 |
| Adjacent to small metro | 19.5 | 19.2 | 28.4 | .3 | -9.2 | 14.6 | 14.1 | .5 |
| Nonadjacent with city | 20.0 | 18.7 | 26.2 | 1.3 | -7.5 | 14.0 | 13.0 | 1.0 |
| Nonadjacent without city | 23.5 | 22.5 | 33.7 | 1.0 | -11.1 | 19.3 | 18.3 | 1.0 |
| West | 12.6 | 11.3 | 11.7 | 1.3 | -.4 | 9.9 | 9.2 | .7 |
| Metro | 11.9 | 10.8 | 10.8 | 1.1 | -.0 | 9.1 | 8.7 | .4 |
| Large | 11.4 | 10.5 | 10.1 | .9 | .5 | 8.3 | 8.2 | .2 |
| Small | 13.1 | 11.3 | 12.7 | 1.8 | -1.4 | 10.6 | 9.8 | .8 |
| Nonmetro | 16.2 | 13.7 | 16.3 | 2.5 | -2.6 | 13.4 | 11.6 | 1.9 |
| Adjacent to large metro | 13.4 | 12.0 | 14.1 | 1.4 | -2.1 | 11.6 | 10.6 | 1.0 |
| Adjacent to small metro | 15.2 | 13.4 | 15.9 | 1.9 | -2.6 | 13.0 | 12.0 | 1.0 |
| Nonadjacent with city | 16.8 | 13.1 | 15.0 | 3.7 | -1.9 | 14.1 | 10.9 | 3.3 |
| Nonadjacent without city | 17.3 | 15.3 | 18.5 | 2.1 | -3.3 | 13.7 | 12.3 | 1.4 |
| Nonmetro county type: | | | | | | | | |
| Farming-dependent | 18.3 | 17.8 | 23.3 | .5 | -5.4 | 14.9 | 14.8 | .2 |
| Mining-dependent | 22.0 | 16.6 | 25.0 | 5.4 | -8.4 | 19.8 | 14.9 | 4.8 |
| Manufacturing-dependent | 14.9 | 14.2 | 18.5 | .6 | -4.3 | 12.2 | 11.5 | .7 |
| Persistent low-income | 28.4 | 28.4 | 42.0 | .1 | -13.6 | 21.7 | 21.9 | -.2 |
| Retirement-destination | 16.3 | 16.0 | 22.1 | .3 | -6.2 | 14.0 | 13.9 | .1 |

See note at end of table.

—Continued

## Appendix table 24—Poverty rates for individuals by race and ethnicity, 1969-89—Continued

| | Black | | | | | Hispanic | | |
|---|---|---|---|---|---|---|---|---|
| | | | | Change: | | | | Change, |
| Area | 1989 | 1979 | 1969 | 1979-89 | 1969-79 | 1989 | 1979 | 1979-89 |
| | *Percent* | | | *Percentage point* | | *Percent* | | *Percentage point* |
| United States | 29.5 | 29.8 | 30.7 | -0.4 | -0.9 | 25.3 | 23.5 | 1.8 |
| Metro | 27.5 | 27.8 | 25.7 | -.3 | 2.2 | 24.5 | 23.0 | 1.5 |
| Large | 25.8 | 26.5 | 22.0 | -.7 | 4.5 | 22.9 | 22.0 | .9 |
| Small | 31.0 | 30.5 | 33.3 | .5 | -2.8 | 28.9 | 25.6 | 3.4 |
| Nonmetro | 39.5 | 39.3 | 51.0 | .3 | -11.8 | 32.2 | 27.4 | 4.9 |
| Adjacent to large metro | 33.8 | 33.5 | 40.0 | .3 | -6.5 | 28.2 | 23.9 | 4.4 |
| Adjacent to small metro | 38.3 | 38.3 | 50.5 | .0 | -12.3 | 31.7 | 27.7 | 4.0 |
| Nonadjacent with city | 39.9 | 39.0 | 49.4 | .9 | -10.4 | 32.6 | 26.0 | 6.6 |
| Nonadjacent without city | 43.2 | 43.1 | 56.4 | .1 | -13.3 | 34.6 | 29.9 | 4.8 |
| Northeast | 24.3 | 27.9 | 20.4 | -3.6 | 7.5 | 28.8 | 32.1 | -3.3 |
| Metro | 24.3 | 27.9 | 20.4 | -3.6 | 7.5 | 28.9 | 32.2 | -3.3 |
| Large | 24.1 | 28.0 | 20.3 | -3.8 | 7.7 | 28.9 | 32.3 | -3.4 |
| Small | 25.5 | 27.8 | 21.3 | -2.3 | 6.5 | 29.1 | 31.6 | -2.5 |
| Nonmetro | 24.6 | 25.9 | 19.4 | -1.3 | 6.4 | 23.6 | 22.5 | 1.2 |
| Adjacent to large metro | 26.4 | 25.7 | 20.3 | .7 | 5.4 | 27.1 | 22.0 | 5.1 |
| Adjacent to small metro | 25.1 | 26.3 | 21.3 | -1.1 | 5.0 | 23.1 | 22.3 | .7 |
| Nonadjacent with city | 20.5 | 25.8 | 10.1 | -5.3 | 15.7 | 19.6 | 25.3 | -5.7 |
| Nonadjacent without city | 24.5 | 21.9 | 14.6 | 2.6 | 7.3 | 20.3 | 20.6 | -.3 |
| Midwest | 32.2 | 27.6 | 21.4 | 4.6 | 6.2 | 21.2 | 19.0 | 2.2 |
| Metro | 32.1 | 27.5 | 21.1 | 4.6 | 6.4 | 20.6 | 19.1 | 1.5 |
| Large | 31.3 | 27.6 | 21.0 | 3.7 | 6.6 | 20.2 | 19.2 | 1.0 |
| Small | 35.3 | 27.3 | 21.8 | 8.0 | 5.5 | 22.6 | 18.6 | 4.0 |
| Nonmetro | 35.4 | 30.2 | 28.8 | 5.2 | 1.4 | 25.1 | 18.5 | 6.6 |
| Adjacent to large metro | 28.3 | 22.2 | 18.6 | 6.1 | 3.6 | 22.5 | 16.6 | 5.8 |
| Adjacent to small metro | 33.6 | 24.5 | 20.9 | 9.1 | 3.6 | 23.0 | 17.1 | 6.0 |
| Nonadjacent with city | 37.3 | 34.1 | 35.2 | 3.2 | -1.1 | 26.4 | 19.8 | 6.6 |
| Nonadjacent without city | 42.9 | 42.9 | 39.5 | .0 | 3.4 | 29.1 | 21.3 | 7.8 |
| South | 31.6 | 32.5 | 39.4 | -.9 | -6.9 | 28.1 | 25.2 | 2.9 |
| Metro | 28.3 | 29.2 | 32.2 | -.9 | -3.0 | 26.4 | 23.4 | 3.0 |
| Large | 24.6 | 25.8 | 25.6 | -1.2 | .2 | 22.4 | 19.1 | 3.3 |
| Small | 31.5 | 31.9 | 37.4 | -.4 | -5.5 | 32.4 | 28.8 | 3.5 |
| Nonmetro | 40.1 | 40.0 | 52.5 | .2 | -12.6 | 38.8 | 34.1 | 4.7 |
| Adjacent to large metro | 35.2 | 35.7 | 43.8 | -.5 | -8.2 | 33.7 | 30.2 | 3.6 |
| Adjacent to small metro | 38.8 | 39.0 | 51.9 | -.2 | -12.9 | 38.2 | 34.2 | 4.0 |
| Nonadjacent with city | 40.5 | 39.6 | 50.7 | .9 | -11.1 | 38.5 | 32.5 | 6.0 |
| Nonadjacent without city | 43.4 | 43.2 | 57.3 | .2 | -14.1 | 42.6 | 36.6 | 6.0 |
| West | 21.7 | 22.6 | 21.0 | -.9 | 1.5 | 22.8 | 19.6 | 3.1 |
| Metro | 21.5 | 22.4 | 20.8 | -.9 | 1.7 | 22.1 | 19.2 | 2.9 |
| Large | 21.3 | 22.4 | 20.3 | -1.1 | 2.1 | 21.0 | 18.6 | 2.4 |
| Small | 22.7 | 22.8 | 24.2 | -.1 | -1.4 | 25.7 | 21.0 | 4.7 |
| Nonmetro | 26.8 | 27.0 | 29.7 | -.1 | -2.8 | 28.5 | 22.8 | 5.7 |
| Adjacent to large metro | 29.3 | 34.8 | 43.3 | -5.5 | -8.5 | 23.5 | 19.7 | 3.8 |
| Adjacent to small metro | 26.1 | 25.3 | 30.7 | .9 | -5.5 | 27.1 | 22.2 | 4.8 |
| Nonadjacent with city | 27.5 | 26.8 | 31.0 | .7 | -4.1 | 30.5 | 22.7 | 7.8 |
| Nonadjacent without city | 24.1 | 28.0 | 16.3 | -3.9 | 11.7 | 29.2 | 24.6 | 4.6 |
| Nonmetro county type: | | | | | | | | |
| Farming-dependent | 45.2 | 46.3 | 59.2 | -1.2 | -12.8 | 36.1 | 31.3 | 4.8 |
| Mining-dependent | 42.2 | 35.3 | 44.6 | 6.9 | -9.3 | 32.9 | 23.3 | 9.6 |
| Manufacturing-dependent | 36.1 | 36.3 | 48.0 | -.2 | -11.7 | 25.7 | 23.5 | 2.2 |
| Persistent low-income | 46.9 | 47.1 | 63.5 | -.2 | -16.4 | 43.3 | 38.2 | 5.2 |
| Retirement-destination | 35.3 | 35.8 | 45.4 | -.6 | -9.6 | 33.3 | 28.6 | 4.7 |

Note: .0 = Change of less than 0.1 percentage point.

## Appendix table 25—Poor families with children under 18 years old, 1969-89

| Area | Families headed by women | | | | | | Other family types | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Number in poverty | | | Poverty rate | | | Number in poverty | | | Poverty rate | | |
| | 1989 | 1979 | 1969 | 1989 | 1979 | 1969 | 1989 | 1979 | 1969 | 1989 | 1979 | 1969 |
| | *Thousand* | | | *Percent* | | | *Thousand* | | | *Percent* | | |
| United States | 2,867 | 2,222 | 1,498 | 42.3 | 40.3 | 43.2 | 2,126 | 1,992 | 1,982 | 7.9 | 7.5 | 7.6 |
| Metro | 2,170 | 1,760 | 1,144 | 40.1 | 39.4 | 41.2 | 1,379 | 1,253 | 1,144 | 6.8 | 6.4 | 5.7 |
| Large | 1,246 | 1,081 | 694 | 38.4 | 39.0 | 39.5 | 749 | 675 | 575 | 6.4 | 6.0 | 4.8 |
| Small | 924 | 679 | 450 | 42.7 | 40.0 | 44.0 | 630 | 578 | 569 | 7.4 | 6.9 | 7.1 |
| Nonmetro | 697 | 462 | 355 | 50.7 | 44.4 | 51.2 | 747 | 740 | 838 | 11.5 | 10.9 | 13.6 |
| Adjacent to large metro | 63 | 41 | 27 | 45.2 | 39.8 | 42.8 | 66 | 57 | 56 | 8.9 | 7.8 | 8.6 |
| Adjacent to small metro | 259 | 176 | 133 | 48.6 | 43.6 | 50.2 | 270 | 270 | 307 | 10.7 | 10.3 | 13.0 |
| Nonadjacent with city | 186 | 120 | 91 | 52.0 | 44.3 | 51.7 | 163 | 151 | 169 | 10.9 | 9.6 | 11.9 |
| Nonadjacent without city | 190 | 126 | 103 | 54.9 | 47.4 | 55.0 | 249 | 262 | 306 | 14.5 | 13.9 | 17.9 |
| Northeast | 539 | 548 | 324 | 40.3 | 44.4 | 39.6 | 274 | 325 | 285 | 5.4 | 6.1 | 4.7 |
| Metro | 490 | 509 | 299 | 40.2 | 44.8 | 39.7 | 228 | 273 | 242 | 5.1 | 5.8 | 4.4 |
| Large | 349 | 380 | 226 | 40.8 | 46.4 | 40.7 | 158 | 188 | 169 | 5.6 | 6.2 | 4.6 |
| Small | 141 | 129 | 73 | 38.7 | 40.7 | 36.9 | 69 | 84 | 73 | 4.2 | 5.1 | 4.1 |
| Nonmetro | 49 | 39 | 25 | 41.1 | 39.7 | 38.4 | 46 | 52 | 43 | 7.2 | 7.9 | 6.7 |
| Adjacent to large metro | 9 | 7 | 4 | 41.7 | 38.3 | 37.7 | 8 | 8 | 7 | 6.8 | 6.1 | 5.4 |
| Adjacent to small metro | 26 | 21 | 14 | 40.1 | 38.9 | 38.9 | 24 | 28 | 23 | 6.8 | 7.8 | 6.5 |
| Nonadjacent with city | 7 | 5 | 3 | 42.2 | 41.9 | 36.1 | 7 | 8 | 7 | 8.1 | 9.2 | 8.1 |
| Nonadjacent without city | 7 | 6 | 3 | 43.1 | 42.5 | 40.0 | 8 | 9 | 7 | 8.3 | 9.4 | 8.0 |
| Midwest | 692 | 504 | 314 | 44.1 | 38.6 | 38.7 | 430 | 419 | 386 | 6.6 | 5.9 | 5.2 |
| Metro | 536 | 408 | 246 | 43.3 | 38.9 | 38.5 | 243 | 229 | 205 | 5.3 | 4.7 | 3.9 |
| Large | 347 | 276 | 169 | 42.6 | 39.4 | 38.8 | 141 | 139 | 125 | 5.0 | 4.6 | 3.8 |
| Small | 189 | 131 | 77 | 44.5 | 37.7 | 37.9 | 102 | 90 | 80 | 5.8 | 4.8 | 4.1 |
| Nonmetro | 156 | 97 | 68 | 47.3 | 37.3 | 39.8 | 187 | 190 | 181 | 9.4 | 8.6 | 8.6 |
| Adjacent to large metro | 23 | 14 | 9 | 44.5 | 34.8 | 35.6 | 25 | 22 | 19 | 8.3 | 6.8 | 6.3 |
| Adjacent to small metro | 50 | 32 | 21 | 43.8 | 35.4 | 36.7 | 60 | 60 | 53 | 8.3 | 7.6 | 7.1 |
| Nonadjacent with city | 40 | 24 | 17 | 49.4 | 38.4 | 42.1 | 35 | 33 | 34 | 8.4 | 7.3 | 7.7 |
| Nonadjacent without city | 43 | 26 | 20 | 51.7 | 40.5 | 43.9 | 67 | 74 | 75 | 12.1 | 11.9 | 12.4 |
| South | 1,134 | 814 | 610 | 44.6 | 42.1 | 50.5 | 927 | 876 | 1,028 | 9.9 | 9.7 | 12.6 |
| Metro | 741 | 547 | 387 | 40.7 | 39.4 | 46.6 | 530 | 469 | 494 | 8.1 | 7.8 | 9.0 |
| Large | 286 | 218 | 146 | 36.3 | 36.3 | 42.1 | 197 | 159 | 151 | 7.0 | 6.5 | 6.7 |
| Small | 455 | 329 | 241 | 44.0 | 41.8 | 49.8 | 333 | 310 | 342 | 8.9 | 8.7 | 10.6 |
| Nonmetro | 393 | 267 | 223 | 54.5 | 49.2 | 59.1 | 396 | 407 | 534 | 13.9 | 13.7 | 20.2 |
| Adjacent to large metro | 22 | 15 | 11 | 46.7 | 45.1 | 53.0 | 24 | 21 | 26 | 10.7 | 10.5 | 15.6 |
| Adjacent to small metro | 158 | 108 | 89 | 52.7 | 48.3 | 58.0 | 157 | 160 | 214 | 13.1 | 13.0 | 19.6 |
| Nonadjacent with city | 102 | 68 | 56 | 55.0 | 48.8 | 58.6 | 79 | 80 | 102 | 12.3 | 12.0 | 16.7 |
| Nonadjacent without city | 111 | 76 | 67 | 58.7 | 51.9 | 62.3 | 136 | 146 | 193 | 17.4 | 16.7 | 24.9 |
| West | 502 | 356 | 251 | 37.6 | 34.4 | 39.6 | 495 | 372 | 282 | 8.6 | 7.5 | 6.3 |
| Metro | 403 | 296 | 212 | 35.7 | 33.2 | 38.3 | 378 | 281 | 203 | 8.0 | 7.0 | 5.5 |
| Large | 264 | 207 | 153 | 33.5 | 31.9 | 36.7 | 252 | 188 | 129 | 7.7 | 6.8 | 4.9 |
| Small | 138 | 89 | 59 | 40.7 | 36.4 | 43.3 | 126 | 93 | 73 | 8.6 | 7.3 | 7.0 |
| Nonmetro | 99 | 60 | 39 | 48.6 | 42.0 | 48.3 | 117 | 91 | 79 | 11.7 | 9.5 | 10.4 |
| Adjacent to large metro | 8 | 5 | 3 | 48.0 | 44.3 | 47.1 | 8 | 6 | 4 | 9.0 | 8.1 | 8.1 |
| Adjacent to small metro | 25 | 15 | 10 | 45.9 | 41.9 | 49.4 | 29 | 22 | 18 | 10.9 | 9.3 | 9.9 |
| Nonadjacent with city | 38 | 22 | 15 | 49.4 | 40.1 | 47.5 | 42 | 30 | 26 | 11.8 | 8.5 | 9.1 |
| Nonadjacent without city | 28 | 17 | 11 | 50.4 | 44.0 | 48.7 | 38 | 33 | 31 | 13.1 | 11.3 | 12.9 |
| Nonmetro county types: | | | | | | | | | | | | |
| Farming-dependent | 89 | 58 | 48 | 54.5 | 46.9 | 53.6 | 124 | 138 | 158 | 13.7 | 14.1 | 16.7 |
| Mining-dependent | 52 | 32 | 27 | 58.9 | 47.3 | 57.0 | 84 | 66 | 78 | 17.9 | 12.3 | 17.8 |
| Manufacturing-dependent | 264 | 183 | 137 | 47.9 | 42.2 | 47.7 | 235 | 251 | 287 | 9.3 | 9.3 | 11.3 |
| Persistent low-income | 76 | 52 | 45 | 63.6 | 57.8 | 69.0 | 84 | 95 | 129 | 20.8 | 21.4 | 32.7 |
| Retirement-destination | 143 | 93 | 64 | 47.8 | 43.7 | 50.6 | 176 | 160 | 159 | 12.0 | 11.5 | 14.6 |

## Appendix table 26—Poor children, 1969-89

| Area | All poor children | | | | | | | | Children in poor female-headed families | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Number | | | Change | | Poverty rate | | | Poverty rate | | Share of all poor children | |
| | 1989 | 1979 | 1969 | 1979-69 | 1969-79 | 1989 | 1979 | 1969 | 1989 | 1969 | 1989 | 1969 |
| | Thousand | | | Percent | | | | | | | | |
| United States | 11,429 | 10,026 | 10,530 | 14.0 | -4.8 | 18.3 | 16.0 | 15.1 | 49.9 | 52.8 | 54.1 | 40.8 |
| Metro | 8,156 | 7,046 | 6,783 | 15.8 | 3.9 | 17.1 | 15.0 | 12.8 | 47.8 | 50.8 | 57.7 | 48.4 |
| Large | 4,621 | 4,074 | 3,705 | 13.4 | 10.0 | 16.6 | 15.0 | 11.7 | 46.2 | 49.3 | 59.3 | 54.0 |
| Small | 3,536 | 2,973 | 3,079 | 18.9 | -3.5 | 17.8 | 15.1 | 14.5 | 50.3 | 53.4 | 55.7 | 41.6 |
| Nonmetro | 3,272 | 2,979 | 3,747 | 9.8 | -20.5 | 21.9 | 18.9 | 22.4 | 57.9 | 60.2 | 45.0 | 27.2 |
| Adjacent to large metro | 290 | 233 | 256 | 24.4 | -8.8 | 17.5 | 14.1 | 14.8 | 51.9 | 51.3 | 44.7 | 30.0 |
| Adjacent to small metro | 1,199 | 1,107 | 1,391 | 8.4 | -20.5 | 20.8 | 18.2 | 21.7 | 55.8 | 59.0 | 45.6 | 27.4 |
| Nonadjacent with city | 788 | 667 | 813 | 18.0 | -17.9 | 22.4 | 18.3 | 21.1 | 59.2 | 61.2 | 50.1 | 32.6 |
| Nonadjacent without city | 995 | 972 | 1,287 | 2.4 | -24.4 | 25.1 | 22.2 | 27.3 | 61.9 | 63.9 | 40.4 | 22.9 |
| Northeast | 1,798 | 1,992 | 1,759 | -9.8 | 13.3 | 15.3 | 15.5 | 11.0 | 47.3 | 49.0 | 63.2 | 51.7 |
| Metro | 1,590 | 1,779 | 1,556 | -10.6 | 14.3 | 15.4 | 15.6 | 10.8 | 47.3 | 49.3 | 65.6 | 54.3 |
| Large | 1,120 | 1,287 | 1,132 | -13.0 | 13.7 | 16.8 | 17.2 | 11.6 | 48.1 | 50.5 | 66.8 | 56.8 |
| Small | 470 | 491 | 425 | -4.3 | 15.7 | 12.9 | 12.6 | 9.2 | 45.5 | 46.0 | 62.6 | 47.8 |
| Nonmetro | 208 | 214 | 202 | -2.5 | 5.7 | 14.7 | 14.1 | 11.8 | 46.4 | 45.6 | 45.0 | 31.8 |
| Adjacent to large metro | 39 | 33 | 32 | 15.6 | 6.0 | 14.3 | 11.7 | 10.1 | 46.6 | 45.3 | 46.4 | 35.3 |
| Adjacent to small metro | 109 | 115 | 107 | -5.0 | 7.5 | 14.3 | 14.1 | 11.6 | 45.6 | 45.8 | 45.6 | 33.0 |
| Nonadjacent with city | 28 | 31 | 31 | -10.1 | -2.1 | 15.4 | 15.9 | 13.4 | 46.2 | 43.5 | 43.1 | 27.3 |
| Nonadjacent without city | 33 | 34 | 32 | -5.1 | 7.0 | 16.3 | 16.1 | 13.5 | 48.8 | 47.3 | 42.8 | 28.5 |
| Midwest | 2,531 | 2,170 | 2,101 | 16.6 | 3.3 | 16.4 | 13.0 | 10.6 | 51.4 | 47.9 | 58.1 | 43.7 |
| Metro | 1,759 | 1,492 | 1,352 | 17.9 | 10.3 | 16.1 | 12.7 | 9.5 | 50.9 | 48.1 | 65.9 | 54.3 |
| Large | 1,130 | 991 | 896 | 14.0 | 10.6 | 16.5 | 13.5 | 9.9 | 50.9 | 48.9 | 68.6 | 57.8 |
| Small | 629 | 501 | 456 | 25.6 | 9.8 | 15.5 | 11.4 | 8.7 | 51.0 | 46.1 | 61.0 | 47.3 |
| Nonmetro | 772 | 678 | 749 | 13.8 | -9.4 | 17.2 | 13.7 | 13.4 | 53.2 | 47.3 | 40.3 | 24.6 |
| Adjacent to large metro | 108 | 86 | 85 | 25.3 | 1.6 | 15.8 | 11.6 | 10.4 | 50.7 | 42.6 | 42.4 | 28.9 |
| Adjacent to small metro | 246 | 217 | 223 | 13.6 | -2.8 | 15.4 | 12.3 | 11.3 | 49.2 | 43.4 | 40.2 | 25.3 |
| Nonadjacent with city | 163 | 131 | 149 | 24.7 | -12.3 | 17.1 | 12.7 | 12.8 | 55.0 | 50.2 | 47.6 | 31.8 |
| Nonadjacent without city | 255 | 245 | 292 | 4.1 | -16.1 | 20.2 | 17.4 | 17.9 | 58.0 | 51.8 | 35.0 | 19.2 |
| South | 4,684 | 4,180 | 5,144 | 12.1 | -18.7 | 21.6 | 19.6 | 23.5 | 53.0 | 60.6 | 53.2 | 34.8 |
| Metro | 2,913 | 2,460 | 2,713 | 18.4 | -9.3 | 19.2 | 17.3 | 18.6 | 49.2 | 56.7 | 56.1 | 41.6 |
| Large | 1,116 | 896 | 899 | 24.5 | -.3 | 17.1 | 15.3 | 15.1 | 44.7 | 52.4 | 57.1 | 47.5 |
| Small | 1,797 | 1,564 | 1,814 | 15.0 | -13.8 | 20.8 | 18.7 | 21.1 | 52.6 | 59.8 | 55.4 | 38.7 |
| Nonmetro | 1,771 | 1,721 | 2,430 | 2.9 | -29.2 | 27.0 | 24.4 | 33.2 | 62.3 | 68.4 | 48.4 | 27.3 |
| Adjacent to large metro | 107 | 89 | 118 | 20.1 | -24.5 | 21.0 | 19.2 | 26.2 | 54.4 | 62.1 | 45.4 | 28.1 |
| Adjacent to small metro | 711 | 686 | 979 | 3.6 | -29.9 | 25.8 | 23.4 | 32.3 | 60.6 | 67.1 | 48.5 | 26.9 |
| Nonadjacent with city | 408 | 380 | 507 | 7.3 | -25.1 | 27.0 | 23.7 | 30.2 | 63.2 | 68.5 | 55.1 | 33.3 |
| Nonadjacent without city | 546 | 565 | 826 | -3.5 | -31.5 | 30.5 | 27.5 | 38.2 | 66.0 | 71.2 | 43.6 | 23.9 |
| West | 2,416 | 1,683 | 1,527 | 43.5 | 10.2 | 17.6 | 14.2 | 12.9 | 44.6 | 47.9 | 44.8 | 44.5 |
| Metro | 1,895 | 1,316 | 1,161 | 44.0 | 13.3 | 16.7 | 13.8 | 11.9 | 42.7 | 46.7 | 46.0 | 49.4 |
| Large | 1,256 | 900 | 778 | 39.6 | 15.6 | 16.2 | 13.8 | 11.2 | 40.6 | 45.2 | 46.0 | 53.0 |
| Small | 639 | 417 | 384 | 53.3 | 8.6 | 17.8 | 13.7 | 13.6 | 47.3 | 51.1 | 46.1 | 41.9 |
| Nonmetro | 521 | 367 | 365 | 42.0 | .4 | 21.3 | 16.3 | 17.4 | 55.2 | 55.8 | 40.6 | 29.0 |
| Adjacent to large metro | 37 | 25 | 21 | 48.8 | 15.1 | 18.6 | 14.8 | 14.6 | 54.8 | 56.2 | 47.8 | 36.6 |
| Adjacent to small metro | 133 | 89 | 82 | 50.1 | 8.0 | 20.3 | 16.0 | 16.8 | 52.6 | 55.8 | 40.1 | 31.6 |
| Nonadjacent with city | 189 | 126 | 125 | 50.4 | .4 | 21.6 | 15.2 | 16.0 | 55.6 | 55.2 | 42.3 | 32.2 |
| Nonadjacent without city | 162 | 128 | 136 | 26.9 | -6.5 | 22.5 | 18.2 | 20.1 | 57.1 | 56.7 | 37.3 | 23.4 |
| Nonmetro county type: | | | | | | | | | | | | |
| Farming-dependent | 511 | 503 | 665 | 1.5 | -24.4 | 24.0 | 21.8 | 25.3 | 62.0 | 62.4 | 38.9 | 21.4 |
| Mining-dependent | 297 | 243 | 325 | 22.3 | -25.4 | 27.9 | 19.9 | 27.1 | 65.1 | 64.2 | 35.6 | 22.5 |
| Manufacturing-dependent | 1,109 | 1,063 | 1,321 | 4.3 | -19.5 | 19.5 | 17.0 | 19.5 | 54.9 | 57.1 | 49.6 | 29.8 |
| Persistent low-income | 369 | 391 | 575 | -5.7 | -31.9 | 36.9 | 34.6 | 47.5 | 70.9 | 76.9 | 46.9 | 24.5 |
| Retirement-destination | 727 | 610 | 682 | 19.2 | -10.6 | 21.8 | 19.2 | 23.4 | 54.8 | 59.2 | 41.1 | 26.1 |

## Appendix table 27—Housing units by vacancy status, 1970-90

| Area | 1990 | | | 1980 | | | Change 1980-90 | | Change 1970-80 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Housing units | Vacant units | | Housing units | Vacant units | | Housing units | Vacant units | Housing units | Vacant units |
| | *Thousand* | | *Percent* | *Thousand* | | | *Percent* | | | |
| United States | 102,264 | 10,316 | 10.1 | 88,411 | 8,022 | 9.1 | 15.7 | 28.6 | 28.7 | 53.5 |
| Metro | 77,338 | 6,337 | 8.2 | 66,193 | 4,780 | 7.2 | 16.8 | 32.6 | 27.8 | 58.7 |
| Large | 45,292 | 3,484 | 7.7 | 39,109 | 2,588 | 6.6 | 15.8 | 34.6 | 23.9 | 59.6 |
| Small | 32,046 | 2,854 | 8.9 | 27,084 | 2,192 | 8.1 | 18.3 | 30.2 | 33.9 | 57.7 |
| Nonmetro | 24,925 | 3,979 | 16.0 | 22,218 | 3,242 | 14.6 | 12.2 | 22.7 | 31.6 | 46.4 |
| Adjacent to large metro | 2,805 | 433 | 15.4 | 2,407 | 364 | 15.1 | 16.5 | 18.8 | 33.4 | 39.0 |
| Adjacent to small metro | 9,512 | 1,370 | 14.4 | 8,383 | 1,126 | 13.4 | 13.5 | 21.7 | 32.0 | 45.7 |
| Nonadjacent with city | 5,616 | 722 | 12.9 | 5,031 | 586 | 11.6 | 11.6 | 23.3 | 33.1 | 51.4 |
| Nonadjacent without city | 6,992 | 1,454 | 20.8 | 6,397 | 1,165 | 18.2 | 9.3 | 24.7 | 29.2 | 47.0 |
| Northeast | 20,811 | 1,938 | 9.3 | 19,087 | 1,616 | 8.5 | 9.0 | 19.9 | 14.7 | 39.4 |
| Metro | 18,065 | 1,341 | 7.4 | 16,668 | 1,124 | 6.7 | 8.4 | 19.3 | 13.2 | 44.7 |
| Large | 11,762 | 786 | 6.7 | 11,047 | 655 | 5.9 | 6.5 | 20.0 | 10.1 | 50.9 |
| Small | 6,303 | 556 | 8.8 | 5,621 | 470 | 8.4 | 12.1 | 18.4 | 19.9 | 36.9 |
| Nonmetro | 2,746 | 596 | 21.7 | 2,419 | 492 | 20.3 | 13.5 | 21.3 | 26.1 | 28.7 |
| Adjacent to large metro | 556 | 129 | 23.1 | 481 | 103 | 21.5 | 15.5 | 24.4 | 25.8 | 12.3 |
| Adjacent to small metro | 1,434 | 278 | 19.4 | 1,277 | 235 | 18.4 | 12.3 | 18.5 | 25.6 | 31.7 |
| Nonadjacent with city | 337 | 70 | 20.7 | 293 | 54 | 18.5 | 15.1 | 29.0 | 24.7 | 35.8 |
| Nonadjacent without city | 419 | 120 | 28.7 | 368 | 100 | 27.1 | 13.8 | 20.3 | 29.4 | 37.9 |
| Midwest | 24,493 | 2,176 | 8.9 | 22,822 | 1,963 | 8.6 | 7.3 | 10.8 | 20.3 | 36.8 |
| Metro | 16,981 | 1,061 | 6.3 | 15,618 | 931 | 6.0 | 8.7 | 14.0 | 19.3 | 40.6 |
| Large | 10,613 | 666 | 6.3 | 9,725 | 563 | 5.8 | 9.1 | 18.3 | 17.0 | 38.1 |
| Small | 6,368 | 395 | 6.2 | 5,893 | 368 | 6.2 | 8.1 | 7.4 | 23.1 | 44.6 |
| Nonmetro | 7,512 | 1,114 | 14.8 | 7,204 | 1,032 | 14.3 | 4.3 | 8.0 | 22.6 | 33.5 |
| Adjacent to large metro | 1,060 | 114 | 10.8 | 998 | 112 | 11.2 | 6.2 | 2.5 | 23.7 | 32.8 |
| Adjacent to small metro | 2,532 | 302 | 11.9 | 2,432 | 292 | 12.0 | 4.1 | 3.6 | 22.3 | 29.2 |
| Nonadjacent with city | 1,569 | 178 | 11.3 | 1,497 | 164 | 11.0 | 4.8 | 8.4 | 24.6 | 35.5 |
| Nonadjacent without city | 2,352 | 520 | 22.1 | 2,277 | 464 | 20.4 | 3.3 | 12.0 | 21.2 | 35.8 |
| South | 36,065 | 4,243 | 11.8 | 29,420 | 2,933 | 10.0 | 22.6 | 44.6 | 39.9 | 65.5 |
| Metro | 25,186 | 2,670 | 10.6 | 19,970 | 1,756 | 8.8 | 26.1 | 52.0 | 42.9 | 76.5 |
| Large | 10,828 | 1,138 | 10.5 | 8,466 | 733 | 8.7 | 27.9 | 55.2 | 44.8 | 93.5 |
| Small | 14,358 | 1,532 | 10.7 | 11,504 | 1,023 | 8.9 | 24.8 | 49.8 | 41.5 | 66.0 |
| Nonmetro | 10,879 | 1,573 | 14.5 | 9,450 | 1,178 | 12.5 | 15.1 | 33.6 | 33.9 | 51.4 |
| Adjacent to large metro | 827 | 122 | 14.8 | 651 | 96 | 14.7 | 27.0 | 27.7 | 45.9 | 69.8 |
| Adjacent to small metro | 4,580 | 645 | 14.1 | 3,907 | 484 | 12.4 | 17.2 | 33.2 | 36.3 | 57.1 |
| Nonadjacent with city | 2,438 | 302 | 12.4 | 2,141 | 223 | 10.4 | 13.9 | 35.5 | 32.0 | 46.6 |
| Nonadjacent without city | 3,034 | 505 | 16.6 | 2,751 | 375 | 13.6 | 10.3 | 34.5 | 29.7 | 43.7 |
| West | 20,895 | 1,960 | 9.4 | 17,083 | 1,509 | 8.8 | 22.3 | 29.8 | 42.0 | 75.5 |
| Metro | 17,107 | 1,265 | 7.4 | 13,938 | 969 | 7.0 | 22.7 | 30.6 | 39.5 | 67.7 |
| Large | 12,089 | 894 | 7.4 | 9,871 | 637 | 6.5 | 22.5 | 40.3 | 34.1 | 58.8 |
| Small | 5,017 | 371 | 7.4 | 4,066 | 332 | 8.2 | 23.4 | 11.8 | 54.7 | 87.8 |
| Nonmetro | 3,789 | 695 | 18.3 | 3,145 | 540 | 17.2 | 20.4 | 28.6 | 54.3 | 91.6 |
| Adjacent to large metro | 363 | 68 | 18.7 | 277 | 54 | 19.5 | 31.1 | 25.8 | 63.8 | 80.9 |
| Adjacent to small metro | 967 | 145 | 15.0 | 768 | 115 | 15.0 | 26.0 | 25.7 | 60.3 | 90.9 |
| Nonadjacent with city | 1,272 | 173 | 13.6 | 1,100 | 145 | 13.2 | 15.6 | 19.2 | 52.2 | 95.3 |
| Nonadjacent without city | 1,187 | 309 | 26.0 | 1,001 | 226 | 22.6 | 18.6 | 36.7 | 49.8 | 92.3 |
| Nonmetro county type: | | | | | | | | | | |
| Farming-dependent | 3,347 | 478 | 14.3 | 3,172 | 413 | 13.0 | 5.5 | 15.8 | 21.0 | 30.5 |
| Mining-dependent | 1,614 | 259 | 16.0 | 1,505 | 180 | 11.9 | 7.2 | 43.9 | 33.5 | 34.8 |
| Manufacturing-dependent | 9,363 | 1,178 | 12.6 | 8,496 | 1,021 | 12.0 | 10.2 | 15.4 | 28.3 | 40.8 |
| Persistent low-income | 1,520 | 229 | 15.1 | 1,363 | 180 | 13.2 | 11.5 | 27.0 | 30.6 | 44.0 |
| Retirement-destination | 6,599 | 1,571 | 23.8 | 5,307 | 1,211 | 22.8 | 24.4 | 29.7 | 52.0 | 64.0 |

## Appendix table 28—Occupied housing units by access to complete plumbing, 1970-90

| | 1990 | | | 1980 | | | Change 1980-90 | | Change 1970-80 | |
|---|---|---|---|---|---|---|---|---|---|---|
| Area | Occupied | Without complete plumbing | | Occupied | Without complete plumbing | | Occupied | Without complete plumbing | Occupied | Without complete plumbing |
| | *---Thousand---* | | *Percent* | *---Thousand---* | | *Percent* | | | | |
| United States | 91,947 | 722 | 0.8 | 80,390 | 1,179 | 1.5 | 14.4 | -38.8 | 26.7 | -71.2 |
| Metro | 71,001 | 372 | .5 | 61,413 | 455 | .7 | 15.6 | -18.2 | 25.9 | -77.6 |
| Large | 41,808 | 209 | .5 | 36,521 | 194 | .5 | 14.5 | 7.3 | 22.0 | -80.0 |
| Small | 29,193 | 163 | .6 | 24,892 | 260 | 1.0 | 17.3 | -37.3 | 32.1 | -75.4 |
| Nonmetro | 20,946 | 350 | 1.7 | 18,977 | 725 | 3.8 | 10.4 | -51.7 | 29.3 | -65.0 |
| Adjacent to large metro | 2,372 | 26 | 1.1 | 2,043 | 52 | 2.5 | 16.1 | -49.0 | 32.5 | -65.8 |
| Adjacent to small metro | 8,142 | 124 | 1.5 | 7,257 | 266 | 3.7 | 12.2 | -53.5 | 30.1 | -65.9 |
| Nonadjacent with city | 4,894 | 60 | 1.2 | 4,445 | 119 | 2.7 | 10.1 | -49.5 | 31.0 | -68.0 |
| Nonadjacent without city | 5,538 | 140 | 2.5 | 5,232 | 288 | 5.5 | 5.9 | -51.4 | 25.8 | -62.4 |
| Northeast | 18,873 | 117 | .6 | 17,471 | 142 | .8 | 8.0 | -17.7 | 12.8 | -79.1 |
| Metro | 16,723 | 94 | .6 | 15,544 | 100 | .6 | 7.6 | -5.5 | 11.5 | -82.4 |
| Large | 10,976 | 67 | .6 | 10,393 | 60 | .6 | 5.6 | 12.5 | 8.2 | -83.3 |
| Small | 5,747 | 27 | .5 | 5,151 | 40 | .8 | 11.6 | -32.6 | 18.6 | -80.8 |
| Nonmetro | 2,149 | 23 | 1.0 | 1,927 | 42 | 2.2 | 11.5 | -46.5 | 25.4 | -62.4 |
| Adjacent to large metro | 427 | 3 | .7 | 378 | 5 | 1.4 | 13.1 | -41.8 | 30.1 | -69.8 |
| Adjacent to small metro | 1,156 | 12 | 1.0 | 1,042 | 22 | 2.1 | 10.9 | -47.0 | 24.3 | -63.5 |
| Nonadjacent with city | 267 | 2 | .9 | 239 | 5 | 2.0 | 12.0 | -50.3 | 22.4 | -63.5 |
| Nonadjacent without city | 299 | 5 | 1.8 | 268 | 10 | 3.7 | 11.4 | -46.0 | 26.4 | -52.2 |
| Midwest | 22,317 | 123 | .5 | 20,859 | 207 | 1.0 | 7.0 | -40.9 | 19.0 | -78.0 |
| Metro | 15,919 | 63 | .4 | 14,687 | 78 | .5 | 8.4 | -20.3 | 18.1 | -83.3 |
| Large | 9,947 | 40 | .4 | 9,162 | 43 | .5 | 8.6 | -6.1 | 16.0 | -84.1 |
| Small | 5,973 | 22 | .4 | 5,525 | 36 | .6 | 8.1 | -37.3 | 21.9 | -82.3 |
| Nonmetro | 6,398 | 60 | .9 | 6,172 | 129 | 2.1 | 3.6 | -53.5 | 21.0 | -72.8 |
| Adjacent to large metro | 946 | 9 | .9 | 887 | 19 | 2.1 | 6.6 | -53.6 | 22.7 | -70.2 |
| Adjacent to small metro | 2,229 | 20 | .9 | 2,140 | 40 | 1.9 | 4.2 | -50.7 | 21.4 | -73.1 |
| Nonadjacent with city | 1,391 | 9 | .6 | 1,333 | 18 | 1.4 | 4.3 | -53.2 | 23.4 | -77.0 |
| Nonadjacent without city | 1,832 | 23 | 1.2 | 1,813 | 51 | 2.8 | 1.0 | -55.8 | 18.0 | -71.6 |
| South | 31,822 | 347 | 1.1 | 26,486 | 699 | 2.6 | 20.1 | -50.4 | 37.5 | -67.5 |
| Metro | 22,516 | 140 | .6 | 18,214 | 213 | 1.2 | 23.6 | -34.3 | 40.3 | -72.8 |
| Large | 9,690 | 47 | .5 | 7,733 | 47 | .6 | 25.3 | 0.2 | 41.4 | -76.1 |
| Small | 12,826 | 93 | .7 | 10,481 | 166 | 1.6 | 22.4 | -44.0 | 39.5 | -71.7 |
| Nonmetro | 9,306 | 207 | 2.2 | 8,272 | 487 | 5.9 | 12.5 | -57.5 | 31.8 | -64.4 |
| Adjacent to large metro | 705 | 12 | 1.7 | 555 | 25 | 4.4 | 26.9 | -52.1 | 42.4 | -62.3 |
| Adjacent to small metro | 3,935 | 83 | 2.1 | 3,423 | 193 | 5.7 | 15.0 | -57.1 | 33.8 | -64.8 |
| Nonadjacent with city | 2,136 | 30 | 1.4 | 1,918 | 75 | 3.9 | 11.4 | -59.6 | 30.5 | -69.1 |
| Nonadjacent without city | 2,530 | 82 | 3.2 | 2,376 | 194 | 8.2 | 6.5 | -57.7 | 27.7 | -62.1 |
| West | 18,935 | 136 | .7 | 15,574 | 131 | .8 | 21.6 | 4.0 | 39.4 | -60.2 |
| Metro | 15,842 | 75 | .5 | 12,969 | 64 | .5 | 22.2 | 17.7 | 37.8 | -69.9 |
| Large | 11,195 | 54 | .5 | 9,234 | 45 | .5 | 21.2 | 20.1 | 32.6 | -70.0 |
| Small | 4,646 | 21 | .5 | 3,734 | 19 | .5 | 24.4 | 12.0 | 52.4 | -69.8 |
| Nonmetro | 3,094 | 60 | 2.0 | 2,605 | 67 | 2.6 | 18.8 | -9.3 | 48.3 | -42.0 |
| Adjacent to large metro | 295 | 3 | 1.0 | 223 | 3 | 1.4 | 32.3 | -10.0 | 60.2 | -45.2 |
| Adjacent to small metro | 822 | 9 | 1.1 | 652 | 10 | 1.5 | 26.0 | -9.6 | 55.9 | -51.1 |
| Nonadjacent with city | 1,099 | 19 | 1.7 | 955 | 21 | 2.2 | 15.1 | -10.6 | 47.2 | -43.3 |
| Nonadjacent without city | 878 | 30 | 3.4 | 775 | 32 | 4.2 | 13.3 | -8.2 | 40.7 | -37.2 |
| Nonmetro county type: | | | | | | | | | | |
| Farming-dependent | 2,869 | 49 | 1.7 | 2,759 | 110 | 4.0 | 4.0 | -55.7 | 19.6 | -67.8 |
| Mining-dependent | 1,355 | 37 | 2.7 | 1,326 | 74 | 5.6 | 2.2 | -50.8 | 33.4 | -60.8 |
| Manufacturing-dependent | 8,186 | 123 | 1.5 | 7,475 | 277 | 3.7 | 9.5 | -55.4 | 26.7 | -66.2 |
| Persistent low-income | 1,291 | 59 | 4.6 | 1,183 | 136 | 11.5 | 9.1 | -56.3 | 28.8 | -59.7 |
| Retirement-destination | 5,029 | 75 | 1.5 | 4,095 | 142 | 3.5 | 22.8 | -47.2 | 48.8 | -63.2 |

## Appendix table 29—Occupied housing units by tenure, 1970-90

| Area | 1990 |  |  | 1980 |  |  | Change 1980-90 |  | Change 1970-80 |  |
|---|---|---|---|---|---|---|---|---|---|---|
|  | Occupied | Owner occupied |  | Occupied | Owner occupied |  | Occupied | Owner occupied | Occupied | Owner occupied |
|  | ---Thousand--- |  | Percent | ---Thousand--- |  |  | ---Percent--- |  |  |  |
| United States | 91,947 | 59,031 | 64.2 | 80,390 | 51,796 | 64.4 | 14.4 | 14.0 | 26.7 | 29.9 |
| Metro | 71,001 | 43,878 | 61.8 | 61,413 | 37,910 | 61.7 | 15.6 | 15.7 | 25.9 | 28.4 |
| Large | 41,808 | 24,840 | 59.4 | 36,521 | 21,385 | 58.6 | 14.5 | 16.2 | 22.0 | 25.6 |
| Small | 29,193 | 19,038 | 65.2 | 24,892 | 16,526 | 66.4 | 17.3 | 15.2 | 32.1 | 32.3 |
| Nonmetro | 20,946 | 15,154 | 72.3 | 18,977 | 13,886 | 73.2 | 10.4 | 9.1 | 29.3 | 34.0 |
| Adjacent to large metro | 2,372 | 1,739 | 73.3 | 2,043 | 1,512 | 74.0 | 16.1 | 15.0 | 32.5 | 36.0 |
| Adjacent to small metro | 8,142 | 5,992 | 73.6 | 7,257 | 5,382 | 74.2 | 12.2 | 11.3 | 30.1 | 34.9 |
| Nonadjacent with city | 4,894 | 3,296 | 67.3 | 4,445 | 3,060 | 68.8 | 10.1 | 7.7 | 31.0 | 35.3 |
| Nonadjacent without city | 5,538 | 4,127 | 74.5 | 5,232 | 3,932 | 75.2 | 5.9 | 5.0 | 25.8 | 31.2 |
| Northeast | 18,873 | 11,574 | 61.3 | 17,471 | 10,304 | 59.0 | 8.0 | 12.3 | 12.8 | 15.6 |
| Metro | 16,723 | 10,025 | 59.9 | 15,544 | 8,903 | 57.3 | 7.6 | 12.6 | 11.4 | 14.1 |
| Large | 10,976 | 6,219 | 56.7 | 10,393 | 5,536 | 53.3 | 5.6 | 12.3 | 8.2 | 11.2 |
| Small | 5,747 | 3,806 | 66.2 | 5,151 | 3,367 | 65.4 | 11.6 | 13.0 | 18.6 | 19.2 |
| Nonmetro | 2,149 | 1,549 | 72.1 | 1,927 | 1,401 | 72.7 | 11.5 | 10.6 | 25.4 | 25.7 |
| Adjacent to large metro | 427 | 314 | 73.5 | 378 | 278 | 73.7 | 13.1 | 12.7 | 30.1 | 31.2 |
| Adjacent to small metro | 1,156 | 839 | 72.6 | 1,042 | 760 | 73.0 | 10.9 | 10.4 | 24.3 | 24.8 |
| Nonadjacent with city | 267 | 176 | 65.7 | 239 | 162 | 67.7 | 12.0 | 8.7 | 22.4 | 20.9 |
| Nonadjacent without city | 299 | 221 | 73.9 | 268 | 200 | 74.7 | 11.4 | 10.3 | 26.4 | 25.9 |
| Midwest | 22,317 | 15,200 | 68.1 | 20,859 | 14,358 | 68.8 | 7.0 | 5.9 | 19.0 | 20.4 |
| Metro | 15,919 | 10,491 | 65.9 | 14,687 | 9,714 | 66.1 | 8.4 | 8.0 | 18.1 | 19.5 |
| Large | 9,947 | 6,446 | 64.8 | 9,162 | 5,878 | 64.2 | 8.6 | 9.7 | 16.0 | 19.2 |
| Small | 5,973 | 4,045 | 67.7 | 5,525 | 3,837 | 69.4 | 8.1 | 5.4 | 21.9 | 19.9 |
| Nonmetro | 6,398 | 4,709 | 73.6 | 6,172 | 4,644 | 75.2 | 3.6 | 1.4 | 21.0 | 22.5 |
| Adjacent to large metro | 946 | 697 | 73.7 | 887 | 667 | 75.2 | 6.6 | 4.5 | 22.7 | 24.0 |
| Adjacent to small metro | 2,229 | 1,675 | 75.1 | 2,140 | 1,637 | 76.5 | 4.2 | 2.3 | 21.4 | 22.9 |
| Nonadjacent with city | 1,391 | 960 | 69.0 | 1,333 | 949 | 71.2 | 4.3 | 1.2 | 23.4 | 24.7 |
| Nonadjacent without city | 1,832 | 1,377 | 75.2 | 1,813 | 1,391 | 76.7 | 1.0 | -1.0 | 18.0 | 19.9 |
| South | 31,822 | 21,078 | 66.2 | 26,486 | 17,743 | 67.0 | 20.1 | 18.8 | 37.5 | 42.4 |
| Metro | 22,516 | 14,259 | 63.3 | 18,214 | 11,691 | 64.2 | 23.6 | 22.0 | 40.3 | 43.2 |
| Large | 9,690 | 5,854 | 60.4 | 7,733 | 4,699 | 60.8 | 25.3 | 24.6 | 41.4 | 46.3 |
| Small | 12,826 | 8,404 | 65.5 | 10,481 | 6,993 | 66.7 | 22.4 | 20.2 | 39.5 | 41.2 |
| Nonmetro | 9,306 | 6,820 | 73.3 | 8,272 | 6,052 | 73.2 | 12.5 | 12.7 | 31.8 | 41.0 |
| Adjacent to large metro | 705 | 522 | 74.1 | 555 | 409 | 73.7 | 26.9 | 27.5 | 42.4 | 53.2 |
| Adjacent to small metro | 3,935 | 2,928 | 74.4 | 3,423 | 2,537 | 74.1 | 15.0 | 15.4 | 33.8 | 43.1 |
| Nonadjacent with city | 2,136 | 1,448 | 67.8 | 1,918 | 1,311 | 68.3 | 11.4 | 10.4 | 30.5 | 38.0 |
| Nonadjacent without city | 2,530 | 1,922 | 76.0 | 2,376 | 1,795 | 75.5 | 6.5 | 7.1 | 27.7 | 37.8 |
| West | 18,935 | 11,179 | 59.0 | 15,574 | 9,391 | 60.3 | 21.6 | 19.0 | 39.4 | 42.5 |
| Metro | 15,842 | 9,103 | 57.5 | 12,969 | 7,601 | 58.6 | 22.2 | 19.8 | 37.8 | 40.1 |
| Large | 11,195 | 6,321 | 56.5 | 9,234 | 5,272 | 57.1 | 21.2 | 19.9 | 32.6 | 34.8 |
| Small | 4,646 | 2,782 | 59.9 | 3,734 | 2,329 | 62.4 | 24.4 | 19.5 | 52.4 | 53.5 |
| Nonmetro | 3,094 | 2,076 | 67.1 | 2,605 | 1,790 | 68.7 | 18.8 | 16.0 | 48.3 | 53.9 |
| Adjacent to large metro | 295 | 207 | 70.1 | 223 | 157 | 70.5 | 32.3 | 31.6 | 60.2 | 66.7 |
| Adjacent to small metro | 822 | 550 | 66.9 | 652 | 448 | 68.6 | 26.0 | 22.8 | 55.9 | 61.7 |
| Nonadjacent with city | 1,099 | 712 | 64.8 | 955 | 639 | 66.9 | 15.1 | 11.5 | 47.2 | 53.1 |
| Nonadjacent without city | 878 | 607 | 69.2 | 775 | 546 | 70.5 | 13.3 | 11.2 | 40.7 | 45.7 |
| Nonmetro county type: |  |  |  |  |  |  |  |  |  |  |
| Farming-dependent | 2,869 | 2,111 | 73.6 | 2,759 | 2,052 | 74.4 | 4.0 | 2.9 | 19.6 | 24.5 |
| Mining-dependent | 1,355 | 1,016 | 75.0 | 1,326 | 992 | 74.8 | 2.2 | 2.5 | 33.4 | 41.3 |
| Manufacturing-dependent | 8,186 | 6,035 | 73.7 | 7,475 | 5,556 | 74.3 | 9.5 | 8.6 | 26.7 | 31.1 |
| Persistent low-income | 1,291 | 991 | 76.8 | 1,183 | 895 | 75.6 | 9.1 | 10.7 | 28.8 | 40.9 |
| Retirement-destination | 5,029 | 3,718 | 73.9 | 4,095 | 3,075 | 75.1 | 22.8 | 20.9 | 48.8 | 53.4 |

## Appendix table 30—Owner-occupied mobile homes, 1970-90

| Area | 1990 | | | 1980 | | | Change 1980-90 | | Change 1970-80 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total owner-occupied | In mobile homes | | Total owner-occupied | In mobile homes | | Total owner-occupied | In mobile homes | Total owner-occupied | In mobile homes |
| | ---Thousand--- | | Percent | ---Thousand--- | | ----------Percent---------- | | | | |
| United States | 59,031 | 5,276 | 8.9 | 51,796 | 3,104 | 6.0 | 14.0 | 70.0 | 29.9 | 77.2 |
| Metro | 43,878 | 2,872 | 6.5 | 37,910 | 1,653 | 4.4 | 15.7 | 73.7 | 28.4 | 58.8 |
| Large | 24,840 | 1,129 | 4.5 | 21,385 | 645 | 3.0 | 16.2 | 75.0 | 25.6 | 49.1 |
| Small | 19,038 | 1,743 | 9.2 | 16,526 | 1,009 | 6.1 | 15.2 | 72.8 | 32.3 | 65.6 |
| Nonmetro | 15,154 | 2,404 | 15.9 | 13,886 | 1,450 | 10.4 | 9.1 | 65.7 | 34.0 | 104.2 |
| Adjacent to large metro | 1,739 | 259 | 14.9 | 1,512 | 143 | 9.4 | 15.0 | 81.0 | 36.0 | 92.5 |
| Adjacent to small metro | 5,992 | 973 | 16.2 | 5,382 | 552 | 10.3 | 11.3 | 76.2 | 34.9 | 101.7 |
| Nonadjacent with city | 3,296 | 479 | 14.5 | 3,060 | 314 | 10.3 | 7.7 | 52.7 | 35.3 | 95.0 |
| Nonadjacent without city | 4,127 | 693 | 16.8 | 3,932 | 442 | 11.2 | 5.0 | 56.9 | 31.2 | 119.4 |
| Northeast | 11,574 | 526 | 4.5 | 10,304 | 301 | 2.9 | 12.3 | 74.5 | 15.6 | 44.4 |
| Metro | 10,025 | 345 | 3.4 | 8,903 | 183 | 2.1 | 12.6 | 88.7 | 14.1 | 38.1 |
| Large | 6,219 | 130 | 2.1 | 5,536 | 55 | 1.0 | 12.3 | 135.4 | 11.2 | 40.5 |
| Small | 3,806 | 215 | 5.6 | 3,367 | 128 | 3.8 | 13.0 | 68.5 | 19.2 | 37.1 |
| Nonmetro | 1,549 | 181 | 11.7 | 1,401 | 119 | 8.5 | 10.6 | 52.8 | 25.7 | 55.4 |
| Adjacent to large metro | 314 | 26 | 8.4 | 278 | 18 | 6.3 | 12.7 | 50.4 | 31.2 | 71.5 |
| Adjacent to small metro | 839 | 102 | 12.2 | 760 | 66 | 8.7 | 10.4 | 54.0 | 24.8 | 54.5 |
| Nonadjacent with city | 176 | 25 | 14.1 | 162 | 16 | 10.2 | 8.7 | 50.0 | 20.9 | 43.2 |
| Nonadjacent without city | 221 | 28 | 12.6 | 200 | 18 | 9.1 | 10.3 | 53.1 | 25.9 | 56.8 |
| Midwest | 15,200 | 974 | 6.4 | 14,358 | 645 | 4.5 | 5.9 | 51.0 | 20.4 | 50.6 |
| Metro | 10,491 | 483 | 4.6 | 9,714 | 299 | 3.1 | 8.0 | 61.6 | 19.5 | 35.4 |
| Large | 6,446 | 229 | 3.5 | 5,878 | 129 | 2.2 | 9.7 | 76.8 | 19.2 | 32.7 |
| Small | 4,045 | 254 | 6.3 | 3,837 | 169 | 4.4 | 5.4 | 49.9 | 19.9 | 37.6 |
| Nonmetro | 4,709 | 491 | 10.4 | 4,644 | 346 | 7.5 | 1.4 | 42.0 | 22.5 | 66.7 |
| Adjacent to large metro | 697 | 75 | 10.8 | 667 | 49 | 7.3 | 4.5 | 54.9 | 24.0 | 62.1 |
| Adjacent to small metro | 1,675 | 175 | 10.4 | 1,637 | 119 | 7.3 | 2.3 | 47.0 | 22.9 | 57.7 |
| Nonadjacent with city | 960 | 94 | 9.7 | 949 | 71 | 7.5 | 1.2 | 32.1 | 24.7 | 61.6 |
| Nonadjacent without city | 1,377 | 148 | 10.7 | 1,391 | 108 | 7.8 | -1.0 | 37.1 | 19.9 | 84.3 |
| South | 21,078 | 2,603 | 12.4 | 17,743 | 1,396 | 7.9 | 18.8 | 86.5 | 42.4 | 94.5 |
| Metro | 14,259 | 1,290 | 9.0 | 11,691 | 702 | 6.0 | 22.0 | 83.9 | 43.2 | 69.4 |
| Large | 5,854 | 337 | 5.8 | 4,699 | 193 | 4.1 | 24.6 | 74.6 | 46.3 | 52.0 |
| Small | 8,404 | 954 | 11.3 | 6,993 | 509 | 7.3 | 20.2 | 87.4 | 41.2 | 77.0 |
| Nonmetro | 6,820 | 1,313 | 19.3 | 6,052 | 694 | 11.5 | 12.7 | 89.1 | 41.0 | 128.9 |
| Adjacent to large metro | 522 | 111 | 21.3 | 409 | 51 | 12.5 | 27.5 | 117.3 | 53.2 | 125.3 |
| Adjacent to small metro | 2,928 | 590 | 20.1 | 2,537 | 299 | 11.8 | 15.4 | 96.9 | 43.1 | 132.1 |
| Nonadjacent with city | 1,448 | 228 | 15.7 | 1,311 | 125 | 9.6 | 10.4 | 81.7 | 38.0 | 98.7 |
| Nonadjacent without city | 1,922 | 384 | 20.0 | 1,795 | 218 | 12.2 | 7.1 | 76.1 | 37.8 | 146.8 |
| West | 11,179 | 1,172 | 10.5 | 9,391 | 762 | 8.1 | 19.0 | 53.9 | 42.5 | 91.7 |
| Metro | 9,103 | 754 | 8.3 | 7,601 | 470 | 6.2 | 19.8 | 60.3 | 40.1 | 71.4 |
| Large | 6,321 | 433 | 6.9 | 5,272 | 268 | 5.1 | 19.9 | 62.0 | 34.8 | 58.3 |
| Small | 2,782 | 321 | 11.5 | 2,329 | 203 | 8.7 | 19.5 | 58.1 | 53.5 | 92.4 |
| Nonmetro | 2,076 | 418 | 20.1 | 1,790 | 291 | 16.3 | 16.0 | 43.5 | 53.9 | 137.1 |
| Adjacent to large metro | 207 | 46 | 22.2 | 157 | 26 | 16.3 | 31.6 | 79.3 | 66.7 | 126.3 |
| Adjacent to small metro | 550 | 107 | 19.4 | 448 | 68 | 15.1 | 22.8 | 57.7 | 61.7 | 155.3 |
| Nonadjacent with city | 712 | 133 | 18.6 | 639 | 101 | 15.8 | 11.5 | 31.5 | 53.1 | 138.2 |
| Nonadjacent without city | 607 | 133 | 21.9 | 546 | 97 | 17.8 | 11.2 | 36.5 | 45.7 | 127.7 |
| Nonmetro county type: | | | | | | | | | | |
| Farming-dependent | 2,111 | 309 | 14.6 | 2,052 | 186 | 9.1 | 2.9 | 65.8 | 24.5 | 105.1 |
| Mining-dependent | 1,016 | 212 | 20.9 | 992 | 155 | 15.6 | 2.5 | 37.0 | 41.3 | 181.6 |
| Manufacturing-dependent | 6,035 | 910 | 15.1 | 5,556 | 523 | 9.4 | 8.6 | 73.9 | 31.1 | 86.2 |
| Persistent low-income | 991 | 219 | 22.1 | 895 | 113 | 12.6 | 10.7 | 94.0 | 40.9 | 161.1 |
| Retirement-destination | 3,718 | 713 | 19.2 | 3,075 | 391 | 12.7 | 20.9 | 82.3 | 53.4 | 132.7 |

## Appendix table 31—Owner-occupied condominiums, 1970-90

| Area | 1990 | | 1980 | | 1970 | |
|---|---|---|---|---|---|---|
| | Owner-occupied condominiums | Share of all owner-occupied units | Owner-occupied condominiums | Share of all owner-occupied units | Owner-occupied condominiums | Share of all owner-occupied units |
| | *Thousand* | *Percent* | *Thousand* | *Percent* | *Thousand* | *Percent* |
| United States | 1,246 | 4.2 | 1,270 | 2.5 | 361 | 0.9 |
| Metro | 1,202 | 5.5 | 1,220 | 3.2 | 355 | 1.2 |
| Large | 898 | 7.2 | 932 | 4.4 | 306 | 1.8 |
| Small | 305 | 3.2 | 288 | 1.7 | 48 | .4 |
| Nonmetro | 44 | .6 | 50 | .4 | 7 | .1 |
| Adjacent to large metro | 6 | .7 | 5 | .3 | * | ** |
| Adjacent to small metro | 20 | .7 | 21 | .4 | 3 | .1 |
| Nonadjacent with city | 13 | .8 | 13 | .4 | 2 | .1 |
| Nonadjacent without city | 5 | .2 | 11 | .3 | 1 | ** |
| Northeast | 268 | 4.6 | 177 | 1.7 | 145 | 1.6 |
| Metro | 262 | 5.2 | 173 | 1.9 | 144 | 1.8 |
| Large | 203 | 6.5 | 136 | 2.5 | 135 | 2.7 |
| Small | 60 | 3.1 | 37 | 1.1 | 9 | .3 |
| Nonmetro | 6 | .8 | 4 | .3 | * | ** |
| Adjacent to large metro | 3 | 1.7 | 2 | .7 | * | .1 |
| Adjacent to small metro | 3 | .6 | 1 | .2 | * | ** |
| Nonadjacent with city | 1 | .6 | * | .3 | * | ** |
| Nonadjacent without city | * | .2 | * | .1 | * | ** |
| Midwest | 215 | 2.8 | 243 | 1.7 | 64 | .5 |
| Metro | 208 | 4.0 | 234 | 2.4 | 62 | .8 |
| Large | 174 | 5.4 | 201 | 3.4 | 54 | 1.1 |
| Small | 34 | 1.7 | 33 | .9 | 8 | .3 |
| Nonmetro | 7 | .3 | 9 | .2 | 2 | ** |
| Adjacent to large metro | 1 | .4 | 1 | .2 | * | ** |
| Adjacent to small metro | 2 | .3 | 3 | .2 | 1 | ** |
| Nonadjacent with city | 2 | .5 | 3 | .3 | * | .1 |
| Nonadjacent without city | 1 | .2 | 3 | .2 | * | ** |
| South | 411 | 3.9 | 463 | 2.6 | 76 | .6 |
| Metro | 391 | 5.5 | 437 | 3.7 | 72 | .9 |
| Large | 239 | 8.2 | 294 | 6.3 | 53 | 1.7 |
| Small | 152 | 3.6 | 144 | 2.1 | 19 | .4 |
| Nonmetro | 20 | .6 | 25 | .4 | 3 | .1 |
| Adjacent to large metro | 1 | .3 | 1 | .3 | * | ** |
| Adjacent to small metro | 13 | .9 | 14 | .6 | 2 | .1 |
| Nonadjacent with city | 5 | .7 | 5 | .4 | 1 | .1 |
| Nonadjacent without city | 1 | .1 | 5 | .3 | 1 | ** |
| West | 352 | 6.3 | 388 | 4.1 | 77 | 1.2 |
| Metro | 342 | 7.5 | 376 | 4.9 | 76 | 1.4 |
| Large | 283 | 8.9 | 301 | 5.7 | 64 | 1.6 |
| Small | 59 | 4.3 | 75 | 3.2 | 12 | .8 |
| Nonmetro | 11 | 1.0 | 12 | .7 | 1 | .1 |
| Adjacent to large metro | 1 | .8 | 1 | .4 | * | .1 |
| Adjacent to small metro | 3 | 1.0 | 3 | .6 | * | .1 |
| Nonadjacent with city | 5 | 1.4 | 5 | .8 | 1 | .2 |
| Nonadjacent without city | 2 | .7 | 4 | .7 | * | .1 |
| Nonmetro county type: | | | | | | |
| Farming-dependent | 2 | .2 | 5 | .2 | 1 | ** |
| Mining-dependent | 1 | .2 | 2 | .2 | 1 | .1 |
| Manufacturing-dependent | 10 | .3 | 11 | .2 | 2 | ** |
| Persistent low-income | * | .1 | 2 | .2 | * | ** |
| Retirement-destination | 23 | 1.2 | 22 | .7 | 2 | .1 |

* = Fewer than 1,000 units.

** = Less than 0.1 percent.

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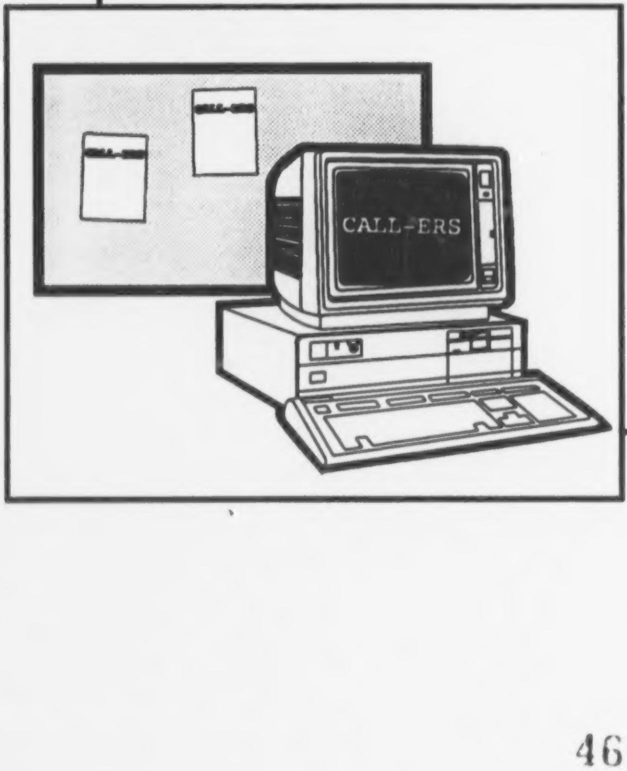

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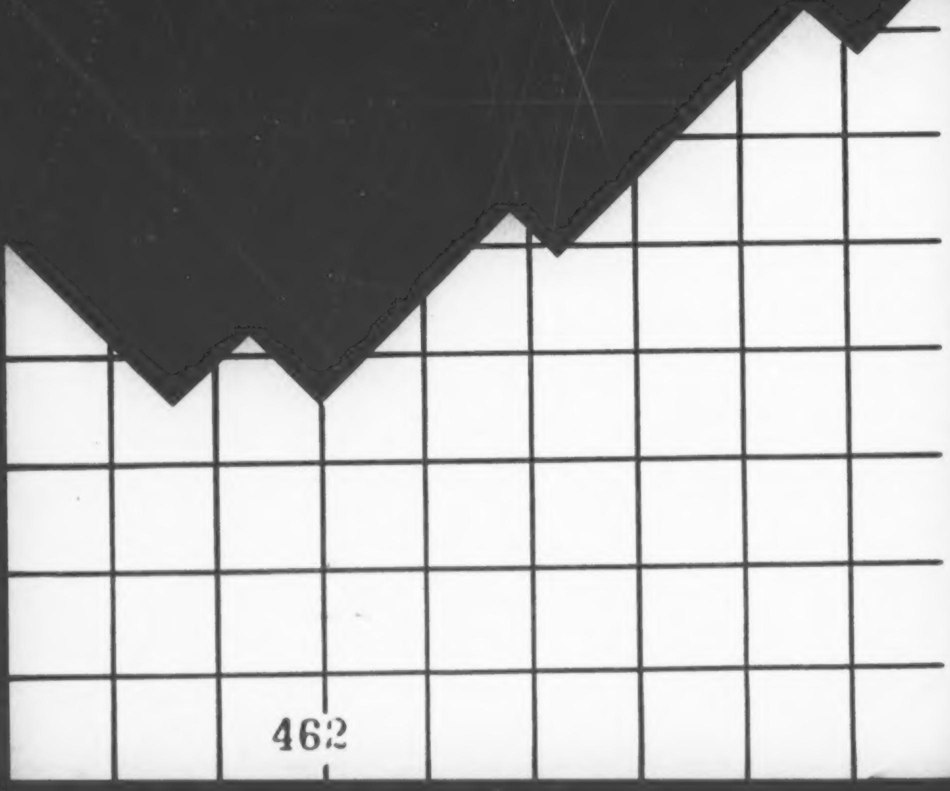

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# Rural and Urban Economies Benefit from Year-End Surge

*The national economy ended 1993 on a high note, and both rural and urban employment increased. Rural unemployment dropped in the fourth quarter of 1993, but is still higher than before the recession. Special articles investigate the rural implications of employment projections to 2005, the income status of farm entrepreneurs, and the weekly earnings of hired farmworkers.*

**Rising consumer spending, including good Christmas sales, sparked a surge in the gross domestic product (GDP) in the second half of 1993. Industrial production rose and interest rates and inflation remained low. Most analysts expect strong GDP growth in 1994, based on a combination of factors, both positive (low inflation, slowly rising interest rates, increased housing sales, strong consumer spending, and continued business investment growth) and negative (flat government spending and a growing trade deficit).**

Rural employment grew faster than urban employment in 1993, but neither area regained its prerecession employment growth rate. Rural and urban unemployment rates fell in the fourth quarter of 1993, but remained about a percentage point above prerecession levels. The surge in industrial production during the second half of the year appears to have been fueled by rising productivity and more overtime hours more than by hiring many new workers. Some analysts are reporting concern that recent downsizing has made many firms too lean. If those firms do indeed find that having too few employees is hampering their operations, they may start hiring in 1994.

### Employment Projections Suggest Slower Rural than Urban Growth

The special *National Economy Links to Rural Areas* article investigates what Bureau of Labor Statistics (BLS) projections of national employment to 2005 may mean for rural areas. Comparing projected employment growth by industry and occupation with the current distribution of rural and urban workers by sector suggests that rural employment growth may not keep pace with urban growth between now and 2005. Applying BLS's moderate growth rates to current rural employment by industry and occupation results in an overall rural growth rate of 19.8 percent, lower than the national growth rate of 21.8 percent.

### Employment and Earnings of Farm Entrepreneurs and Farmworkers

Special articles in the *Rural Workforce* section describe the employment and earnings of farm entrepreneurs (those reporting farm ownership or management as their primary occupation and others reporting earnings from farm self-employment) and hired farmworkers. Farm self-employment income recipients who reported primary occupations other than farming had an average income of $25,258 in 1992, above the $16,064 income of those reporting farm operator or manager as their occupation. Those in the first group earned only 13 percent of their income from farming, relying on wage and salary earnings as their principal source of income. In comparison, the farm operators and managers earned half of their income from farming. Mixing farming with a primary job off farm apparently is a good income strategy for those with the opportunities and skills to do it.

The weekly earnings of full-time hired farmworkers in 1992 averaged $240, 54 percent of the $446 earned by other wage and salary workers. Only private household workers averaged lower weekly earnings than farmworkers. Hired farmworkers, particularly Hispanic farmworkers, have completed less education than other workers, which puts them at a disadvantage in competing for jobs in the nonfarm sector. *[Linda M. Ghelfi, 202-219-0520.]*

# Growth to Turn Strong in 1994; Inflation Stays Low

*Real gross domestic product growth surged in the last quarter of 1993 making for 3.8-percent growth in the second half of the year, following only 2.3-percent growth during the first half. The December unemployment rate came in at 6.4 percent. Consumer prices rose at a 2.7-percent rate in the second half of 1993. The outlook for 1994 is for above 3-percent growth with below 3-percent inflation.*

After growth in real gross domestic product (GDP) of 2.3 percent in the first half of 1993, GDP growth rose to 3.8 percent in the second half of 1993—the highest six-month GDP growth since the recovery began. During the second half of 1993, consumer durable spending, business equipment spending, and residential spending rose at annual rates above 10 percent. Services and nondurable goods spending grew below the GDP growth rate of the last half of 1993.

During the second half of 1993, jobs grew by 158,000 per month, below the 171,000 per month average increase in the first half. Manufacturing showed some signs of recovery as a few jobs were added in high technology manufacturing and vehicle production toward the end of 1993. Industrial production grew at an annualized rate above 7 percent in the last quarter of 1993. The unemployment rate dropped to 6.4 percent in December. For the year, the average unemployment rate fell 0.6 percentage points compared with the 1992 average.

### Personal Income Growth Strengthens After Sluggish First Half

Personal income for the last half of 1993 grew 5.8 percent at an annual rate, well above the first half's 3.1-percent rate. If not for the Midwest flooding, personal income growth for the end of 1993 would have been even stronger. From August through December, every major income category grew—wages and salaries, proprietors' income, and dividend, interest, and rental income, with the largest percentage increases in proprietors' income.

### Inflation and Interest Rates Low

For the first 6 months of 1993, consumer prices rose 3.1 percent at an annual rate, only slightly above 1992's 2.9-percent rate. The second half saw consumer prices rise 2.1 percent despite some run up of commodity prices at the end of the year. Short-term interest rates continued at 30-year lows as the economy moved into the late summer, while long-term rates continued to drift down. Yields on 10-year Treasury notes fell to about 5.8 percent in the middle of 1993, the lowest monthly average since November 1968. The fall in long-term rates was due to relatively slow U.S. growth, the deficit-reduction package, slow world economic growth, and low inflation expectations. Expected lower foreign interest rates also contributed to the downward drift in longer term yields. While long-term interest rates picked up at the end of 1993, they remained near record lows.

### Decreasing Trade Deficit

The trade deficit declined in the fourth quarter of 1993. Europe's recession and Japan's slow growth brought virtually no growth in their demand for U.S. imports. The rise in the value of the dollar has further contributed to sluggish U.S. exports.

The fourth quarter of 1993 saw a $0.8-billion drop in services exports, more than offset by a $1.8-billion rise in farm exports and a $27.2-billion rise in nonfarm goods exports. At the same time, imported goods increased by $24 billion, and services imports increased by $2.0 billion, causing the trade deficit to fall by $2.2-billion in the fourth quarter over the third.

### The Outlook for 1994

Most private forecasters expect that continued low inflation and interest rates will boost the private economy in 1994. Private forecasters believe real GDP will grow between 3.0 and 3.6 percent in 1994, up 0.6 percentage point from the consensus of 6 months ago. Consumer price inflation will likely be about 2.8 percent. Interest rates are expected to rise slowly as the economy gains strength, with short-term rates up more than long-term rates. While the Midwest flood reduced third-quarter output by about 0.5 percent, most analysts expect the only lasting income effects to be concentrated in the directly affected States with little effect on the general economy in 1994. Some of this loss was made up in the last quarter and the rest will be made up in 1994. Many field crop producers in areas not affected by the flood and heavy rains have had relatively good financial returns, because the futures and cash prices for some field crops, such as corn and soybeans, have increased. But higher feed grain prices suggest lower returns for livestock producers in early 1994. The recent earthquakes in California and very cold weather in the Eastern half of the United States will likely weaken GDP and output in early 1994.

Strength in 1994 is expected to come from housing and business investment and consumption of durable goods. Low, albeit rising, interest rates will support investment. Recent strong personal income growth and low interest rates will support increases in durable good sales. Lower government spending and larger trade deficits will likely dampen growth for most of 1994.

### Rural America—Which Exports?

The positive stimulus from low interest rates will help farms and other rural businesses and consumers. Rural tourist industries may see increased demand because personal income growth has strengthened. Rural implications also depend on export growth. ERS research suggests that rural employment growth depends more strongly than general employment on U.S. exports. Goods export growth was weak for 1993. However, expectations that developing countries' demand for U.S. goods will remain strong while the European and Japanese recoveries begin and boost their demand for U.S. goods have led many analysts to expect that goods exports will strengthen in the second half of 1994. So, overall prospects are for strong growth in the U.S. economy with possibly better growth for the rural economy. *[D. A. Torgerson, 202-219-0782. Data as of March 1, 1994.]*

## Exports, imports, and net exports

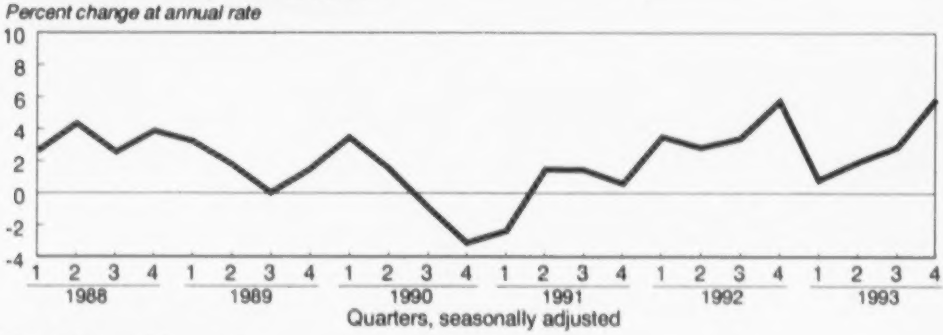
**Although nonfarm goods exports increased in every quarter, goods imports increased even more, causing the trade deficit to grow**

| Item | Quarter of 1993<br>First | <br>Second | <br>Third | <br>Fourth |
|---|---|---|---|---|
| | *Billion 1987 dollars* | | | |
| Exports | 588.0 | 593.2 | 591.6 | 620.1 |
| Goods | 430.2 | 434.5 | 434.1 | 463.1 |
| Farm-based goods | 38.7 | 38.8 | 37.3 | 39.1 |
| Nonfarm goods | 391.5 | 395.7 | 396.8 | 424.0 |
| Services | 157.8 | 158.6 | 157.8 | 157.0 |
| Imports | 647.9 | 668.4 | 678.4 | 704.2 |
| Goods | 545.9 | 565.7 | 574.9 | 598.9 |
| Services | 102.0 | 102.7 | 103.3 | 105.3 |
| Net exports | -59.9 | -75.2 | -86.3 | -84.1 |
| Goods | -115.7 | -131.2 | -140.8 | -135.8 |
| Services | 55.8 | 55.9 | 54.5 | 51.7 |

Note: Figures may not add due to rounding.
Source: Bureau of Economic Analysis.

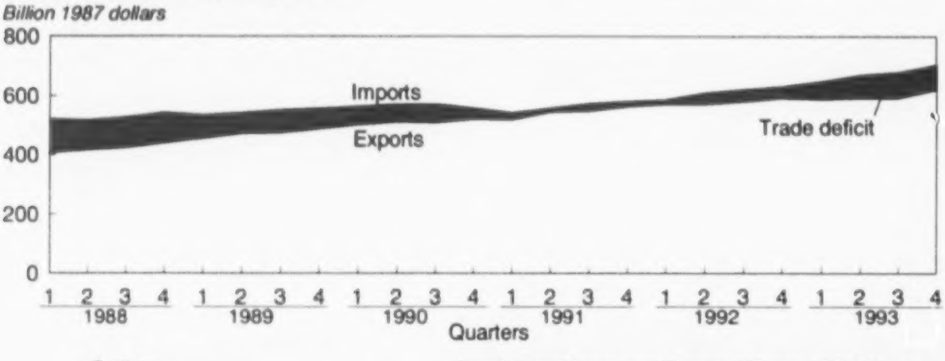
## Change in real GDP

**GDP growth was quite modest during the first three quarters of 1993, then jumped up in the fourth quarter**



## Exports and imports

**The trade deficit decreased during the fourth quarter of 1993 as export growth exceeded import growth**



# Service Industries Expected to Dominate 1992-2005

*Rural employment is more concentrated than urban employment in industries and occupations expected to decline or grow slowly through 2005. However, a large share of rural employment is still in occupations expecting high growth.*

The Bureau of Labor Statistics (BLS) has recently released its projections of employment from 1992 to 2005, an update of the projections released in 1992. BLS does not specifically project rural employment trends; but its national projections have rural implications. BLS projects losses in mining and manufacturing, industries with larger shares of rural than urban employment. BLS projects growth in all major occupation groups. However, agriculture, forestry, and fishing and operator, fabricator, and laborer groups, which comprised nearly 27 percent of rural employment in 1992, are projected to grow more slowly than other occupations.

### BLS Long-Term Projections

The prospects for employment by industry and specific occupations depend primarily on major economic developments. Projections of these developments are relatively uncertain very far in the future. Areas of uncertainty in making projections include changes in the level of immigration and trade agreements—the General Agreement on Tariffs and Trade (GATT) and the North American Free Trade Agreement (NAFTA)—and the regulation of those areas by the European Union, formerly the European Community. Due to these uncertainties, BLS considers three scenarios: low growth, moderate growth, and high growth. Several features are common to all scenarios. Total labor force growth and productivity growth are expected to be about the same as that experienced in the 1980's, defense spending is expected to decrease, and the trade balance is expected to improve. The labor force will, on average, grow older as baby boomers continue to move into the 45-64 age group. The BLS moderate growth scenario assumes annual GDP growth of 2.2 percent, continuing the 1979-92 trend, whereas annual rates of 1.5 percent and 3.0 percent are assumed for the low and high scenarios.

### Service Industries Projected to Grow Fastest

BLS projects 26 million new jobs under the moderate growth scenario. Almost all of these jobs will be in the service sector. Half will be in the services industry of the services sector, that is, in the hotel and other lodging and personal services industries. Large employment gains are also expected in the health services, business services, and retail trade industries. BLS stresses, however, that the economy is projected to generate jobs for workers at all levels of education and training and in all industries due to an additional 32 million expected job openings created by departing workers.

The industry sectors that are expected to decrease or stay the same in employment all had larger shares of rural employment than urban employment in 1991. Employment is projected to decline in mining and manufacturing and stay about constant in agriculture during 1992-2005 under the moderate growth scenario. Employment change ranges from -2.2 (low growth) to 7.3 percent (high growth) for agriculture, -19.2 to 9.4 percent for mining, and -11.4 to 4.6 percent for manufacturing. By comparison, the number of agriculture, mining, and manufacturing jobs all declined during 1979-92, with job losses of 100,000 in agriculture (3.0 percent), 300,000 in mining (34.1 percent), and 3 million in manufacturing (14.3 percent).

Among the projected high-growth industries, rural areas had a higher proportion of employment in construction than urban areas in 1991, the same proportion in retail trade, but a lower proportion in services. The services industry is expected to grow the most with projected national growth between 40.1 percent and 50.5 percent. Services also had the largest employment gain from 1979 to 1992, 69.4 percent.

### Employment Expected to Grow in All Major Occupations

Despite declines in some industries, employment in all major occupational groups is expected to increase under the moderate growth scenario. BLS projects that three of the four fastest growing occupational groups will be those requiring relatively high levels of education or training: executive, administrative, and managerial; professional specialty; and technicians and related support. Rural areas have proportionately fewer of these workers than urban areas. Rural areas also have larger shares of workers employed in farming, forestry, and fishing; precision production, craft, and repair; and operator, fabricator, and laborer occupations. Employment growth in these occupational groups is expected to be substantially less than in overall employment.

### Specific Occupations with the Largest Growth or Decline

Below the major group level, projected growth rates vary widely among specific occupations. The five specific occupations that are expected to generate the most jobs are retail salespersons, registered nurses, cashiers, general office clerks, and light and heavy truck drivers. About 6 percent of rural employment is in these five occupations compared with 9 percent of urban employment. The five occupations expected to lose the most jobs are farmers, sewing machine operators who sew garments, cleaners and servants in private households, farmworkers, and typists and word processors. Rural areas have over triple the proportion of employment in these occupations, 7.4 percent of rural employment versus 2.1 percent of urban employment.

### Prospects for Rural Employment Growth

Between 1979 and 1992, employment in rural areas decreased as a share of total U.S. employment. Although a large share of rural employment is now in occupations expected to grow the most through 2005, industries and occupational groups that are projected to experience employment declines or slow growth are concentrated in rural areas. This suggests that rural economies are somewhat disadvantaged in their positioning for the expected work force changes. Indeed, if rural industries and occupations grew at projected national rates, rural employment would grow only 19.8 percent, less than the projected 21.8 percent for overall employment growth. If industry and occupational structures do not adapt, rural workers will continue to be a shrinking share of the national labor force. *[Karen S. Hamrick, 202-219-0782]* See *Monthly Labor Review*, Vol. 116, No. 11, Nov. 1993, for details on the projections.

## Industry employment

**Mining and manufacturing employment expected to shrink in next 15 years...**

| Industry | 1991 employment distribution: Nonmetro | 1991 employment distribution: Metro | 1979-92 national change | 1992-2005 projected change, moderate-growth scenario |
|---|---|---|---|---|
| | *Percent* | | | |
| Agriculture | 9.2 | 2.0 | -3.0 | 0.9 |
| Mining | 1.6 | .5 | -34.1 | -10.9 |
| Construction | 5.1 | 4.9 | .2 | 26.0 |
| Manufacturing | 16.9 | 13.2 | -14.3 | -2.9 |
| Transportation, communication, and utilities | 4.1 | 4.9 | 11.2 | 13.8 |
| Wholesale trade | 3.3 | 5.1 | 15.8 | 19.0 |
| Retail trade | 16.5 | 16.5 | 29.2 | 22.9 |
| Finance, insurance, real estate | 5.1 | 8.5 | 32.1 | 21.3 |
| Services | 21.3 | 29.2 | 69.4 | 47.0 |
| Government | 16.9 | 15.2 | 17.0 | 18.1 |
| Total employment | 100.0 | 100.0 | 19.5 | 21.8 |

Source: Bureau of Economic Analysis data and Bureau of Labor Statistics projections.

## Occupational employment

**...but employment in all occupational groups expected to grow**

| Occupation | 1992 employment distribution: Nonmetro | 1992 employment distribution: Metro | 1979-92 national change | 1992-2005 projected change, moderate-growth scenario |
|---|---|---|---|---|
| | *Percent* | | | |
| Executive, administrative, managerial | 8.8 | 13.5 | 50.4 | 25.9 |
| Professional specialty | 10.7 | 14.8 | 43.0 | 37.4 |
| Technicians and related support | 3.1 | 3.8 | 57.6 | 32.2 |
| Marketing and sales | 10.1 | 12.3 | 30.7 | 20.6 |
| Administrative support, incl. clerical | 12.7 | 16.8 | 15.0 | 13.7 |
| Service occupations | 14.5 | 13.4 | 24.6 | 33.4 |
| Agricultural, forestry, fishing | 7.0 | 1.8 | -5.2 | 3.4 |
| Precision production, craft, repair | 13.4 | 10.6 | 4.3 | 13.3 |
| Operators, fabricators, laborers | 19.7 | 13.0 | -10.3 | 9.5 |
| Total employment | 100.0 | 100.0 | 19.0 | 21.8 |

Source: Current Population Survey and Bureau of Labor Statistics projections.

## Occupational growth and decline

**Retail salespersons will fare best, farmers worst**

Occupations with the largest job growth:
- Salespersons, retail
- Registered nurses
- Cashiers
- General office clerks
- Light and heavy truck drivers

Occupations with the largest job declines
- Farmers
- Sewing machine operators who sew garments
- Cleaners and servants, private household
- Farmworkers
- Typists and word processors

# Rural Employment Grows Moderately Throughout 1993

*Rural employment increased moderately in 1993, at about the same rate as in 1992. Urban employment, however, stagnated during 1992 and then accelerated during 1993. By late 1993, rural and urban job growth rates were about equal. Rural employment grew strongly for younger workers and declined for Blacks.*

Rural employment increased 1.9 percent in 1993, about the same rate of growth as during 1992 (2.1 percent). Growth was somewhat stronger in the second half of the year than in the first half (1.8 and 1.2 percent at annual rates). Faster second half employment growth is consistent with national indicators of a year-end surge, but rural employment growth is still much slower than is typical this far into a recovery. National data indicate that factory overtime is at historically high levels and that many businesses are not hiring new workers. The high proportion of rural workers in factory jobs suggests that rural employment may continue to grow slowly in 1994 as long as overtime is substituted for hiring.

Urban employment increased by 1.3 percent in 1993, up from 0.2 percent in 1992. Urban employment, like rural, showed higher growth in the second half of the year than in the first half (2.2 percent and 1.4 percent at annual rates). Improvements in the California economy, which is largely urban, during the second half of the year may account for this pattern.

### Employment/Population Ratio Up

The rural employment/population ratio (number employed divided by the population age 16 and older) increased from 58.9 percent to 59.3 percent between 1992 and 1993, its highest level since 59.6 percent in 1989. The employment/population ratio is a good indicator of job growth because it reflects changes in both the number employed and the population. The urban employment/population ratio increased only slightly, from 62.1 percent to 62.3 percent between 1992 and 1993. The urban ratio is still well below the 1989 high of 63.9 percent.

### Employment Increases for Young Rural Workers

The largest gains in rural employment during 1993 were among those ages 16 to 24. Employment rose by 5 percent for those ages in 1993, up from 1.1 percent in 1992. The unemployment rate for this group also dropped more than average (from 14.4 percent in 1992 to 13.3 percent in 1993).

During 1993, rural employment gains were higher for women than for men. Employment among rural women increased by 2.3 percent in 1993 compared with a 1.6-percent increase for men, both rates being essentially the same as a year earlier. A slightly higher population growth rate for women than men in rural areas may account for higher female employment growth. Urban areas, in contrast, showed men with about the same employment growth rate as women (1.4 percent compared with 1.3 percent).

### Rural Blacks Show Continued Employment Loss

For rural Blacks, employment dropped 2.2 percent between 1992 and 1993, the second consecutive year of decline (a 2.4-percent decline in 1992). The proportion of the rural Black population employed (employment/population ratio) remained unchanged at 51.6 percent between 1992 and 1993. The constancy of the employment/population ratio suggests that outmigration of rural Blacks to urban areas may be associated with declining Black employment. Blacks may be finding it disproportionately more difficult to find work in rural areas since the 1990-91 recession.
*[Timothy S. Parker, 202-219-0541]*

## Employment change

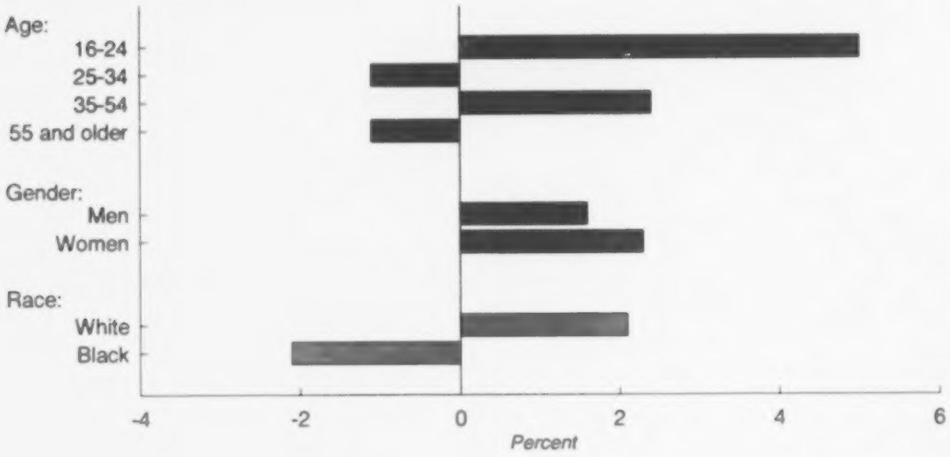
**Nonmetro employment continued to grow faster than metro in 1993**

| Area | 1988 | 1989 | 1990 | 1991 | 1992 | 1993 |
|---|---|---|---|---|---|---|
| | *Percentage change from previous year* | | | | | |
| United States | 2.2 | 2.1 | 0.5 | -0.9 | 0.6 | 1.5 |
| Metro | 2.2 | 1.6 | .6 | -.8 | .2 | 1.3 |
| Nonmetro | 2.3 | 3.7 | .2 | -1.1 | 2.1 | 1.9 |

Source: Current Population Survey.

## Nonmetro employment change, 1992-93

**Employment increased for young nonmetro workers, but fell for Blacks**



# Rural Unemployment Falls Throughout 1993

*The fourth quarter rural unemployment rate was 6.3 percent, down from 6.9 percent a year earlier but still above the 5.7 percent rural unemployment rate just prior to the 1990-91 recession. Unemployment rates for rural minorities and youths were significantly higher than for whites and older workers.*

Rural labor markets recovered throughout 1993 and showed increased vigor in the second half of the year, paralleling the course of the overall economy. If strong economic growth continues in 1994, unemployment should continue to fall. Labor market statistics suggest that considerable slack remains and that worker shortages do not threaten continued expansion in the near term. Another year of economic growth at current rates would probably reduce the rural unemployment rate to approximately its prerecession level.

The rural unemployment rate in the fourth quarter of 1993 was 6.3 percent, down from 6.5 percent in the third quarter, according to seasonally adjusted Current Population Survey (CPS) data. Urban unemployment remained a little higher than rural, but also improved late in 1993, falling from 6.7 to 6.5 percent between the third and fourth quarters. Despite these improvements, rural and urban unemployment rates remained above their prerecession levels of 5.7 and 5.3 percent.

### Broader Measures of Job Availability Indicate Considerable Slack

Official unemployment rates may understate the full extent of worker availability because they omit individuals who want a job but have given up looking for work (discouraged workers) and those forced to accept part-time work. A more comprehensive measure of labor market slack is provided by the adjusted unemployment rate, which includes discouraged workers and half of those who work part time but want to work full time, in addition to the officially unemployed. Although official unemployment was lower in rural than in urban areas in the fourth quarter of 1993, a larger share of rural workers were discouraged or involuntarily working part time. As a result, the 10.1-percent rural adjusted unemployment rate was slightly higher than the 9.7-percent urban adjusted rate.

Both the adjusted and official unemployment rates fell in rural areas during 1993. However, the share of the rural work force discouraged or involuntarily part-time remained essentially unchanged. The drop in the adjusted unemployment rate chiefly has been due to lower official unemployment. The fall in official unemployment may thus overstate recent gains in the extent to which workers are able to find the types of jobs that they desire and hence understate both employment difficulties and the room for further employment growth.

### Unemployment Highest for Young Workers and Minorities

The unemployment rates of rural 16- to 24-year-olds, Blacks, and Hispanics were all approximately twice the overall rural unemployment rate of 6.5 percent during 1993. Young and minority workers are also more likely than other workers to settle for part-time work schedules, despite wanting full-time jobs, or to give up looking for work in the belief that jobs cannot be found. Job growth for rural youths was quite strong during 1993, however, and youth unemployment fell faster than overall unemployment.

The unemployment rates of rural men and women were essentially equal in 1993. The male unemployment rate had been higher than the female rate during the previous 2 years because disproportionately more men than women were laid off during the 1990-91 recession. Male unemployment fell more than female unemployment during 1993, despite the fact that employment grew a little more rapidly for women than for men. The explanation for this seeming paradox is that the female labor force grew significantly more rapidly than the male labor force. *[Paul Swaim, 202-219-0552]*

## Measures of rural labor market slack

**The number unemployed fell more rapidly than the numbers discouraged or involuntarily working part time**

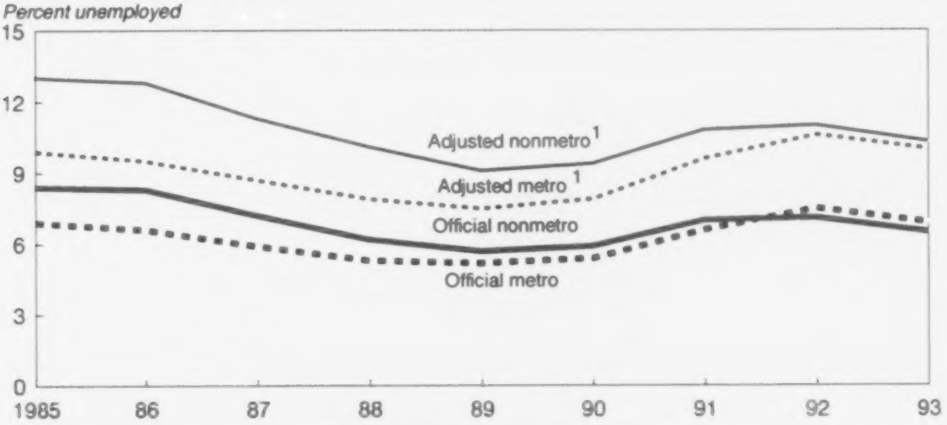
| Item | 1992 fourth quarter | 1993 First quarter | 1993 Second quarter | 1993 Third quarter | 1993 Fourth quarter |
|---|---|---|---|---|---|
| | *Percent of rural labor force* | | | | |
| Official unemployment | 6.9 | 6.7 | 6.6 | 6.5 | 6.3 |
| Discouraged | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Part time for economic reasons | 5.9 | 5.6 | 5.8 | 5.8 | 5.7 |
| Adjusted unemployment[1] | 10.8 | 10.4 | 10.4 | 10.3 | 10.1 |

[1] Includes official unemployment, discouraged workers, and half of workers employed part time for economic reasons.

Source: Current Population Survey data, seasonally adjusted by the Economic Research Service.

## Annual average unemployment

**Unemployment fell moderately in 1993, but remained above prerecession levels in both metro and nonmetro areas**

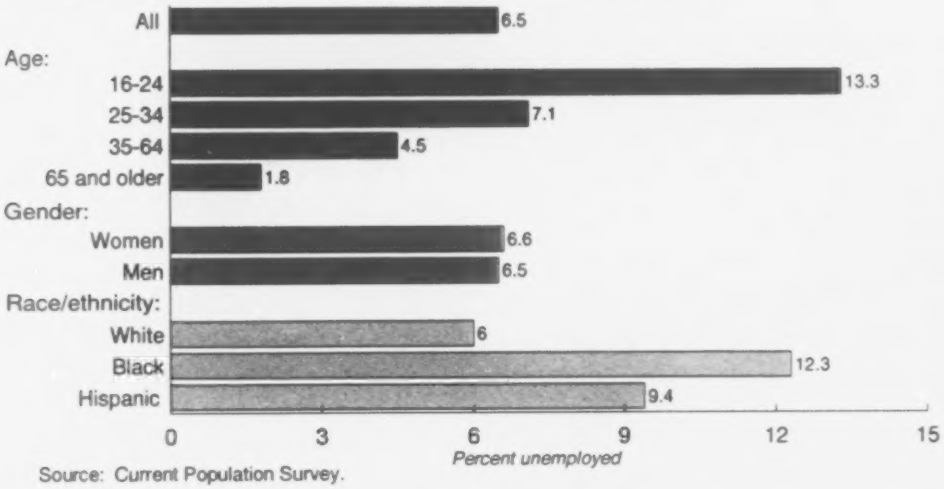


[1] Includes discouraged workers and half of workers employed part time for economic reasons.

Source: Current Population Survey.

## Nonmetro unemployment for demographic groups, 1993

**Young workers and minorities have the highest unemployment rates**



Source: Current Population Survey.

# Farm Entrepreneurs Depended on Both Farm Self-Employment and Wage and Salary Incomes in 1992

*Farm operators and managers had lower average income than those farm entrepreneurs who received farm self-employment income but reported a nonfarm occupation. The median income of farm operators and managers was only 64 percent of that for farm self-employment income recipients.*

Farm entrepreneurs are usually thought of as full-time farm operators. However, according to the March 1993 Current Population Survey, about 1.2 million people reported their major occupation as farm operator or manager and an additional 679,000 people were farm self-employment income recipients but reported a different occupation. We consider both farm operators and managers and farm self-employment income recipients to be farm entrepreneurs, but the two groups have widely differing characteristics. (See the definition of farm entrepreneurs in the appendix).

### Income High for Farm Self-Employment Income Recipients

The 1992 median income of farm operators and managers was $16,064, significantly lower than the $25,258 of farm self-employment income recipients. The favorable income of the latter group partly reflects their greater dependence on wage and salary earnings. Nearly 65 percent of the total income of farm self-employment income recipients came from wages and salaries, and only 13 percent came from farm self-employment income. Farm size partly explains the large role of off-farm income. The United States still has numerous small farms, and the smaller the farm, the more likely the farm entrepreneur is to work more time at a nonfarm occupation than on the farm and to rely on the off-farm job for a large proportion of income.

### Farm Operators and Managers Depend More on Farm Income

Occupational commitment to a farm business may have prevented many farm operators and managers from seeking off-farm employment to augment their income. Only 26.7 percent of all farm operators and managers reported wages and salaries as a source of income compared with 78.3 percent of farm self-employment income recipients. With most farm operators and managers relying on farming as their only source of earned income, farm self-employment income accounted for about 50 percent of the group's total income. Nonfarm self-employment income accounted for 1.4 percent, wages and salaries accounted for 23 percent, and interest, dividends, rents, and other sources of income accounted for the remaining 25 percent.

Although farm self-employment income accounts for half of the farm operator and manager group's total income, the amount of farm self-employment income varied widely among individual operators and managers. Twenty percent of farm operators and managers reported no farm self-employment income, a situation most likely to occur if the person is a farm manager or new operator. Eleven percent of all farm operators and managers reported farm income loss. In contrast, nearly 25 percent of farm self-employment income recipients reported an income loss from farming, but their greater dependence on off-farm income kept their median income high.

Farm operators and managers who reported no farm self-employment income relied on wages and salaries as their main source of income and their total median income was $19,632, higher than the entire group's average income. Seventy percent of their total income came from wages and salaries, 19 percent came from interest, dividends, and rent, and 11 percent came from other sources. The occupational code on the CPS data file used to identify farm operators and managers grouped them, so operators and managers cannot be analyzed separately. Undoubtedly, most of those reporting no farm self-employment income are managers whose earnings from managing a farm are paid as wages and salaries.

Farm self-employment income recipients who reported a farm income loss had a total median income of $21,639. While their median income was lower than that of farm self-employment income recipients as a whole, they fared significantly better in total income than farm operators and managers. *[Margaret A. Butler, 202-219-0534]*

## Sources of income of farm entrepreneurs, 1992

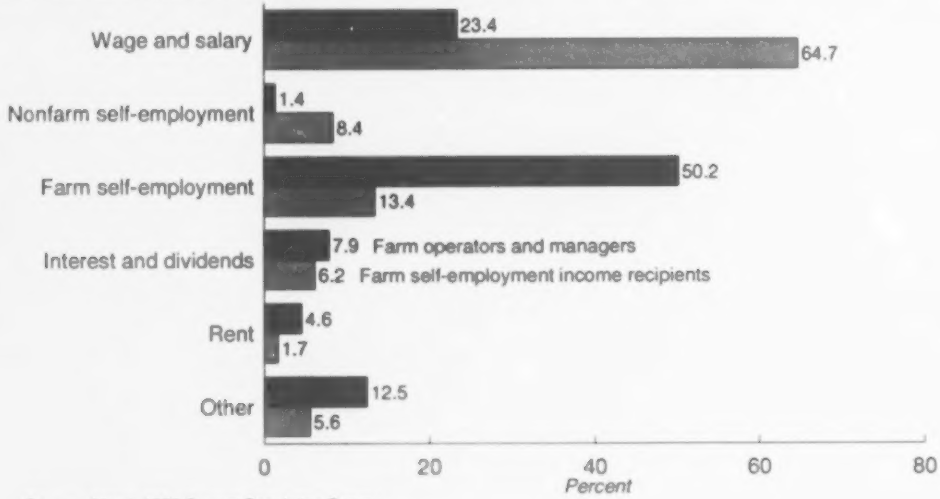
**Farm operators and managers were less likely than farm self-employment income recipients to report wage and salary as a source of income**

| Income source | Farm operators and managers | Farm self-employment income recipients with other occupations |
|---|---|---|
| | *Thousands* | |
| Total persons | 1,171 | 679 |
| | *Percent* | |
| Reporting: | | |
| Wage and salary income | 26.7 | 78.3 |
| Self-employment income: | | |
| Farm | 80.3 | 100.0 |
| Nonfarm | 7.5 | 16.5 |
| Property income: | | |
| Interest | 64.9 | 78.2 |
| Dividends | 12.6 | 23.7 |
| Rent | 17.6 | 19.3 |

Source: March 1993 Current Population Survey.

## Sources of farm entrepreneurs' income, 1992

**Nearly two-thirds of the income of farm self-employment income recipients came from wages and salaries**



Source: March 1993 Current Population Survey.

# Hired Farmworker Earnings Ranked Near the Bottom of Major Occupation Groups in 1992

*Hired farmworkers provide necessary labor during critical agricultural production periods, such as planting and harvesting. Despite their importance to agriculture, hired farmworkers are one of the most economically disadvantaged occupational groups, experiencing seasonal employment, low earnings, and limited options.*

The agricultural work force consists of farm operators, unpaid workers, and hired farmworkers. According to data from USDA's Farm Labor Survey, hired farmworkers (persons who do farmwork for cash wages or salary) accounted for 37 percent of annual average agricultural employment in 1992. Especially during critical agricultural production periods such as planting and harvesting, hired workers provide an important supply of labor when labor demand exceeds that which can be provided by farm operators and their families.

### Number of Farmworkers

An average 104 million persons age 15 and older were employed per week at wage and salary jobs in the United States in 1992, according to data from the Current Population Survey (CPS) microdata earnings file. About 848,000 of these workers, or less than 1 percent of the total, were employed as hired farmworkers. However, since the CPS is based on a survey of households, it may undercount workers who live in unconventional living quarters. Studies suggest that farmworkers, especially many Hispanics, may be more likely to live in nonstandard housing units than are other workers.

### Hired Farmworkers More Likely to Reside in Nonmetro Areas

Hired farmworkers were significantly more likely to reside in nonmetro areas than were other wage and salary workers. About 54 percent of all hired farmworkers lived in nonmetro areas compared with only 20 percent of all other wage and salary workers. Although farmwork is usually considered to be a predominantly rural occupation, many farms are located in what are defined as metro areas, explaining why almost half of hired farmworkers reside in metro areas. For example, data from the 1987 Census of Agriculture indicates that the eight counties with the largest expenditures for hired farm labor in the United States were all located in metro areas. These eight counties accounted for 16 percent of total U.S. hired farm labor expenditures. Seven of the eight counties were in California: Fresno, Kern, Monterey, Tulare, Ventura, San Joaquin, and Riverside. The eighth county was Palm Beach, Florida.

### Demographic Characteristics of Workers

Hired farmworkers are more likely than other wage and salary workers to be young, male, Hispanic, and have completed only limited education. Although some hired farmwork jobs such as farm manager may require higher levels of education, most are low skill and do not require formal education or previous work experience. Unlike many other occupations, lack of education does not hinder entry to farmwork. Over half (57 percent) of all hired farmworkers had not completed high school compared with only 14 percent of all wage and salary workers. In fact, 14 percent of hired farmworkers were functionally illiterate; that is, they had completed less than 5 years of schooling, compared with only 1 percent of all other wage and salary workers.

Among hired farmworkers, years of schooling varied significantly by racial/ethnic group. Only 11 percent of Hispanics completed high school versus 60 percent of Whites and 39 percent of Blacks and others.

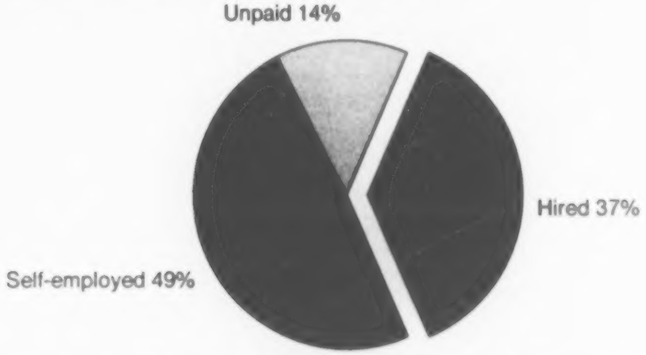
### Farmworker Earnings

Hired farmworkers earned significantly less than most other workers. Among full-time workers (working 35 hours or more per week), hired farmworkers had median weekly earnings of $240, or only 54 percent of the average $446 earned by other U.S. wage and salary workers. The weekly earnings of hired farmworkers varied by education level, ranging from a median $193 for workers who did not complete high school to $300 for workers with some college.

Because of the seasonal nature of agriculture, much hired farmwork is short-term and unsteady. The seasonality of employment, and low earnings for employed workers make hired farmwork one of the lowest paying occupational groups in the United States. Many hired farmworkers also work at nonfarm jobs to increase their income. However, because they have low education levels and few labor market skills, hired farmworkers are generally unable to compete for higher wage jobs in the nonfarm labor market. *[Victor Oliveira, 202-219-0032]*

## Workers on farms, 1992 annual average

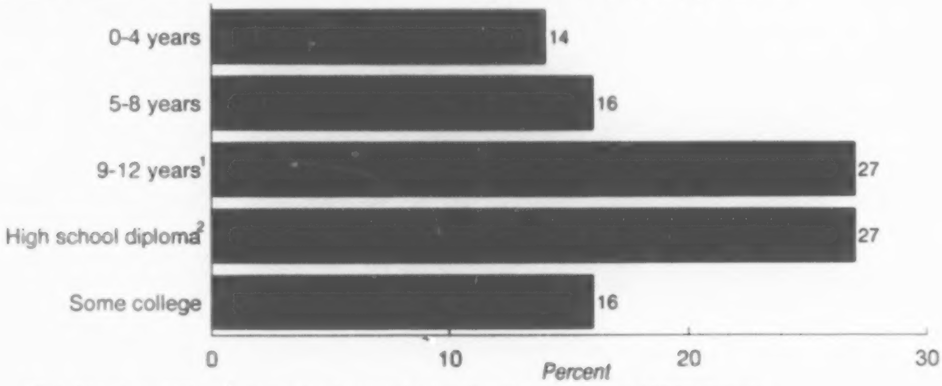
**Over a third of workers on farms are hired**



Source: USDA, National Agricultural Statistics Service, Farm Labor Survey.

## Schooling completed by hired farmworkers, 1992

**More than half of hired farmworkers have not graduated from high school**

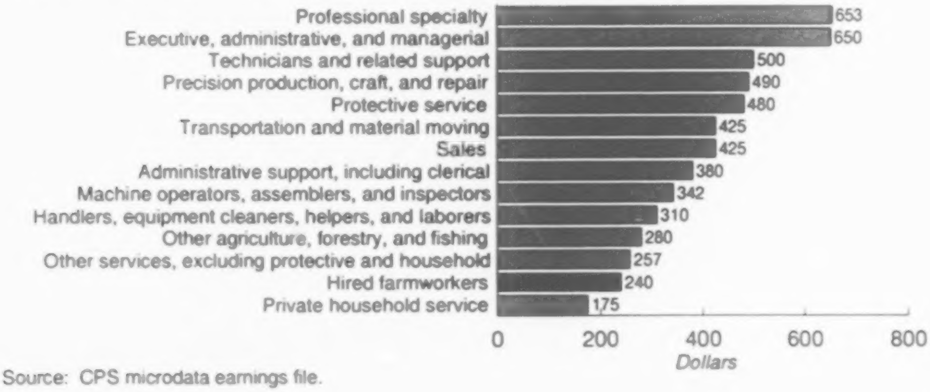


[1] But did not graduate. [2] Or received general educational development (GED) diploma.

Source: CPS microdata earnings file.

## Median weekly earnings of full-time wage and salary workers, 1992

**Hired farmworkers rank near bottom of major occupational groups**



Source: CPS microdata earnings file.

## Data Sources

**Macroeconomic conditions:** The economic indicators used to monitor macroeconomic changes in the U.S. economy are derived from Federal sources. Measures of inflation, including the Consumer and Producer Price Indexes, and employment and unemployment data are developed by the U.S. Department of Labor's Bureau of Labor Statistics (BLS). National income and product account information on capital investment, gross domestic product, and net exports is produced by the Bureau of Economic Analysis (BEA), U.S. Department of Commerce. Information relating to monetary policy, including changes in interest rates and foreign exchange rates, and data on industrial production are furnished by the Federal Reserve Board of Governors.

**Nonmetro conditions:** The nonmetro employment, unemployment, farm entrepreneur, and farmworkers data presented in this issue come primarily from various Current Population Survey (CPS) files. The monthly CPS, conducted by the Bureau of the Census for the U.S. Department of Labor, provides detailed information on the labor force, employment, unemployment, and demographic characteristics of the metro and nonmetro populations. CPS derives estimates based on a national sample of about 60,000 households that are representative of the U.S. civilian noninstitutional population 16 years of age and over. Labor force information is based on respondents' activity during 1 week each month. Second half 1993 employment and unemployment numbers presented in this issue are averages of the July through December CPS monthly surveys, and fourth quarter numbers are averages of the October through December surveys.

The 1992 income of farm entrepreneurs reported in this issue was calculated from the March 1993 CPS. Every year the March CPS includes supplemental questions on sources and amounts of income received during the previous calendar year. Each person 15 years of age and older is asked these questions.

The hired farmworker data presented in this issue were calculated from the CPS earnings microdata file for 1992. Each month workers in about a quarter of the CPS households are asked additional questions on hours worked and earnings for the week including the 12th of the month. The microdata file consists of all records from the 12 monthly quarter-samples conducted in 1992. This sample of records was expanded to represent the entire work force. Annual averages were computed by summing the estimates for each month and dividing by 12.

Data on employment by industry in 1991, shown in the "National Links to the Rural Economy" article, are from the Bureau of Economic Analysis. BEA employment data, unlike the household data collected by the CPS, provide establishment data on the number of jobs rather than the number of workers. The BEA data are taken primarily from administrative reports filed by employers covered under unemployment insurance laws and from information from the Internal Revenue Service and the Social Security Administration. Thus, these jobs are counted at the place of work and are based on a virtual universal count rather than a sample. The BEA data provide detailed information on the number of jobs by industry at the county level. A shortcoming of the BEA data is the 2-year lag between when they are collected and when they are available for analysis.

## Definitions

Throughout *Rural Conditions and Trends,* we use "rural" and "nonmetro" interchangeably. The same holds for "urban" and "metro." However, in tables we use "nonmetro" and "metro," the original and more accurate terms used in the data sources.

**Adjusted unemployment rate:** The number of unemployed people, discouraged workers who have given up looking for work, and half of the workers who work part time but want full-time work as a percentage of the civilian labor force plus discouraged workers.

**Civilian labor force:** Noninstitutional civilians aged 16 or older who are either employed or unemployed. Individuals who are neither employed nor unemployed are out of the labor force.

**Consumer Price Index (CPI):** A measure of the average price level of a basket of consumer goods and services at the retail level for a specific period compared against a benchmark period.

**Farm entrepreneurs:** Persons who reported farm operator or manager as the occupation at which they were working in March 1993 or who reported having received self-employment income from a farm business during 1992. Includes those whose farms are incorporated.

**Foreign exchange rate:** The rate at which one currency is traded for another. The Federal Reserve publishes a measure of the overall foreign exchange rate of the U.S. dollar based on the rates of the 10 major U.S. trading partners.

**Gross domestic product (GDP):** The value of final output produced by people, government, and firms in the United States, whether they are U.S. or foreign citizens, or U.S.- or foreign-owned firms. Output of U.S. citizens or firms located outside the United States is not included. This statistic is reported quarterly but is revised in each of the 2 months following the initial release. Nominal GDP measures final goods and services at current prices. Real GDP measures final goods and services at 1987 prices to adjust for inflation.

**Hired farmworkers:** Persons aged 15 and older who did farmwork for cash wages or salary. Includes persons who manage farms for employers on a paid basis, supervisors of farmworkers, and general farm and nursery workers.

**Inflation rate:** The percentage change in a measure of the average price level. Changes are reported on a monthly basis and are stated as annual rates for longer term comparisons. The two major measures of the average price level are the Consumer and Producer Price Indexes.

**Labor force participation rate:** The civilian labor force as a percentage of the civilian noninstitutional population 16 and older.

**Metro areas:** Metropolitan Statistical Areas (MSA's), as defined by the Office of Management and Budget, include core counties containing a city of 50,000 or more people and a total area population of at least 100,000. Additional contiguous counties are included in the MSA if they are economically and socially integrated with the core county. Throughout this publication, "urban" and "metro" have been used interchangeably to refer to people and places within MSA's.

**Nonmetro areas:** Counties outside metro area boundaries. Throughout this publication, "rural" and "nonmetro" are used interchangeably to refer to people and places outside of MSA's.

**Producer Price Index:** A measure of the average price received by producers of finished goods at the wholesale level during a specific period compared against a benchmark period.

**Unemployment rate:** The number of unemployed people 16 years and older as a percentage of the civilian labor force 16 years and older.

## Appendix table 1—Nonmetro employment: Quarterly and annual averages

| Year/ quarter | Population 16+ | Labor force | Labor force participation | Employed | Employment-population ratio | Unemployed | Unemployment rate | Adjusted unemployment rate[1] |
|---|---|---|---|---|---|---|---|---|
| | *Thousands* | | *Percent* | *Thousands* | *Percent* | *Thousands* | *Percent* | |
| 1993: | | | | | | | | |
| 4th | 43,083 | 27,327 | 63.4 | 25,732 | 59.7 | 1,595 | 5.8 | 9.5 |
| 3rd | 43,045 | 27,620 | 64.2 | 25,959 | 60.3 | 1,661 | 6.0 | 9.8 |
| 2nd | 42,913 | 27,158 | 63.3 | 25,381 | 59.1 | 1,777 | 6.5 | 10.2 |
| 1st | 42,953 | 26,947 | 62.7 | 24,850 | 57.9 | 2,097 | 7.8 | 11.8 |
| 1992: | | | | | | | | |
| 4th | 42,737 | 27,181 | 63.6 | 25,460 | 59.6 | 1,772 | 6.3 | 10.1 |
| 3rd | 42,653 | 27,344 | 64.1 | 25,452 | 59.7 | 1,892 | 6.9 | 10.6 |
| 2nd | 42,322 | 26,939 | 63.7 | 25,047 | 59.2 | 1,893 | 7.0 | 10.7 |
| 1st | 42,114 | 26,232 | 62.3 | 24,052 | 57.1 | 2,179 | 8.3 | 12.4 |
| 1991: | | | | | | | | |
| 4th | 42,328 | 26,442 | 62.5 | 24,745 | 58.5 | 1,697 | 6.4 | 10.1 |
| 3rd | 41,904 | 26,364 | 62.9 | 24,683 | 58.9 | 1,681 | 6.4 | 10.3 |
| 2nd | 42,017 | 26,529 | 63.1 | 24,673 | 58.7 | 1,856 | 7.0 | 10.7 |
| 1st | 42,073 | 26,049 | 61.9 | 23,898 | 56.8 | 2,151 | 8.3 | 12.3 |
| 1990: | | | | | | | | |
| 4th | 42,106 | 26,361 | 62.6 | 24,776 | 58.8 | 1,585 | 6.0 | 9.7 |
| 3rd | 42,079 | 26,607 | 63.2 | 25,158 | 59.8 | 1,450 | 5.4 | 8.8 |
| 2nd | 41,774 | 26,417 | 63.2 | 24,934 | 59.7 | 1,483 | 5.6 | 8.9 |
| 1st | 41,660 | 25,893 | 62.2 | 24,196 | 58.1 | 1,697 | 6.6 | 10.0 |
| 1989: | | | | | | | | |
| 4th | 41,646 | 26,168 | 62.8 | 24,778 | 59.9 | 1,390 | 5.3 | 8.6 |
| 3rd | 41,755 | 26,783 | 64.1 | 25,323 | 60.6 | 1,459 | 5.4 | 8.7 |
| 2nd | 41,588 | 26,389 | 63.5 | 24,919 | 59.9 | 1,470 | 5.6 | 8.9 |
| 1st | 40,912 | 25,441 | 62.2 | 23,807 | 58.2 | 1,634 | 6.4 | 10.2 |
| 1988: | | | | | | | | |
| 4th | 40,629 | 25,510 | 62.8 | 24,024 | 59.2 | 1,469 | 5.8 | 9.4 |
| 3rd | 40,812 | 25,793 | 63.2 | 24,294 | 59.5 | 1,499 | 5.8 | 9.6 |
| 2nd | 40,877 | 25,513 | 62.4 | 23,978 | 58.7 | 1,535 | 6.0 | 9.8 |
| 1st | 40,522 | 24,819 | 61.2 | 22,996 | 56.7 | 1,823 | 7.3 | 11.6 |
| 1987: | | | | | | | | |
| 4th | 40,280 | 25,087 | 62.3 | 23,449 | 58.2 | 1,638 | 6.5 | 10.6 |
| 3rd | 40,214 | 25,277 | 62.9 | 23,634 | 58.8 | 1,643 | 6.5 | 10.5 |
| 2nd | 40,497 | 25,186 | 62.2 | 23,437 | 57.9 | 1,749 | 6.9 | 10.9 |
| 1st | 40,745 | 24,856 | 61.0 | 22,688 | 55.7 | 2,167 | 8.7 | 13.1 |
| 1993 | 42,999 | 27,263 | 63.4 | 25,480 | 59.3 | 1,782 | 6.5 | 10.3 |
| 1992 | 42,456 | 26,924 | 63.4 | 25,003 | 58.9 | 1,922 | 7.1 | 11.0 |
| 1991 | 42,080 | 26,346 | 62.6 | 24,500 | 58.2 | 1,846 | 7.0 | 10.8 |
| 1990 | 41,905 | 26,319 | 62.8 | 24,766 | 59.1 | 1,554 | 5.9 | 9.4 |
| 1989 | 41,482 | 26,209 | 63.2 | 24,718 | 59.6 | 1,491 | 5.7 | 9.1 |
| 1988 | 40,710 | 25,409 | 62.4 | 23,827 | 58.5 | 1,582 | 6.2 | 10.1 |
| 1987 | 40,434 | 25,101 | 62.1 | 23,302 | 57.6 | 1,799 | 7.2 | 11.3 |
| 1986 | 40,646 | 25,171 | 61.9 | 23,091 | 56.8 | 2,080 | 8.3 | 12.8 |
| 1985 | 40,493 | 24,781 | 61.2 | 22,700 | 56.1 | 2,081 | 8.4 | 13.0 |
| 1984 | 55,946 | 34,725 | 62.1 | 31,930 | 57.1 | 2,796 | 8.1 | 12.2 |
| 1983 | 55,294 | 34,156 | 61.8 | 30,696 | 55.5 | 3,460 | 10.1 | 14.9 |
| 1982 | 54,727 | 33,740 | 61.7 | 30,335 | 55.4 | 3,405 | 10.1 | 14.9 |
| 1981 | 53,449 | 33,092 | 61.9 | 30,488 | 57.0 | 2,603 | 7.9 | 11.5 |
| 1980 | 52,706 | 32,512 | 61.7 | 30,150 | 57.2 | 2,362 | 7.3 | 10.7 |
| 1979 | 51,563 | 31,716 | 61.5 | 29,916 | 58.0 | 1,800 | 5.7 | 8.5 |

Note: Beginning in 1985, estimation procedures for the Current Population Survey are based on the 1980 Census. That change accounts for the large drop in the nonmetro population and labor force between 1984 and 1985. Quarterly data shown in this table are not seasonally adjusted and, therefore, do not match seasonally adjusted numbers analyzed in the "Employment" and "Unemployment" articles.

[1] Unemployment rate adjusted to include discouraged workers and half of the workers employed part time for economic reasons.

Source: Current Population Survey.

## Appendix table 2—Metro employment: Quarterly and annual averages

| Year/ quarter | Population 16+ | Labor force | Labor force participation | Employed | Employment-population ratio | Unemployed | Unemployment rate | Adjusted unemployment rate[1] |
|---|---|---|---|---|---|---|---|---|
| | Thousands | Thousands | Percent | Thousands | Percent | Thousands | Percent | Percent |
| 1993: | | | | | | | | |
| 4th | 151,231 | 101,163 | 66.9 | 94,840 | 62.7 | 6,323 | 6.3 | 9.2 |
| 3rd | 150,754 | 101,598 | 67.4 | 94,726 | 62.8 | 6,873 | 6.8 | 10.0 |
| 2nd | 150,375 | 100,888 | 67.1 | 93,834 | 62.4 | 7,054 | 7.0 | 10.2 |
| 1st | 149,843 | 99,460 | 66.4 | 91,905 | 61.3 | 7,555 | 7.6 | 10.8 |
| 1992: | | | | | | | | |
| 4th | 149,582 | 99,763 | 66.7 | 92,726 | 62.0 | 7,037 | 7.1 | 10.1 |
| 3rd | 149,134 | 101,028 | 67.7 | 93,478 | 62.7 | 7,550 | 7.5 | 10.7 |
| 2nd | 148,989 | 100,255 | 67.3 | 92,745 | 62.2 | 7,510 | 7.5 | 10.5 |
| 1st | 148,774 | 99,186 | 66.7 | 91,432 | 61.5 | 7,754 | 7.8 | 11.1 |
| 1991: | | | | | | | | |
| 4th | 148,121 | 98,915 | 66.8 | 92,327 | 62.3 | 6,589 | 6.7 | 9.8 |
| 3rd | 148,074 | 99,912 | 67.5 | 93,299 | 63.0 | 6,613 | 6.6 | 9.7 |
| 2nd | 147,506 | 99,017 | 67.1 | 92,522 | 62.7 | 6,496 | 6.6 | 9.4 |
| 1st | 147,039 | 97,984 | 66.6 | 91,362 | 62.1 | 6,622 | 6.8 | 9.7 |
| 1990: | | | | | | | | |
| 4th | 146,589 | 98,463 | 67.2 | 92,956 | 63.4 | 5,507 | 5.6 | 8.2 |
| 3rd | 146,187 | 99,290 | 67.9 | 93,872 | 64.2 | 5,417 | 5.5 | 8.0 |
| 2nd | 146,051 | 98,504 | 67.4 | 93,480 | 64.0 | 5,024 | 5.1 | 7.4 |
| 1st | 145,751 | 97,615 | 67.0 | 92,238 | 63.3 | 5,332 | 5.5 | 7.8 |
| 1989: | | | | | | | | |
| 4th | 145,371 | 98,191 | 67.5 | 93,242 | 64.1 | 4,949 | 5.0 | 7.3 |
| 3rd | 144,848 | 98,373 | 67.9 | 93,366 | 64.5 | 5,007 | 5.1 | 7.5 |
| 2nd | 144,589 | 97,391 | 67.4 | 92,449 | 63.9 | 4,942 | 5.1 | 7.5 |
| 1st | 144,861 | 96,633 | 66.7 | 91,411 | 63.1 | 5,223 | 5.4 | 7.9 |
| 1988: | | | | | | | | |
| 4th | 144,625 | 96,886 | 67.0 | 92,139 | 63.7 | 4,748 | 4.9 | 7.4 |
| 3rd | 144,028 | 97,249 | 67.5 | 92,132 | 64.0 | 5,117 | 5.3 | 8.0 |
| 2nd | 143,512 | 95,843 | 66.8 | 90,801 | 63.3 | 5,042 | 5.3 | 7.8 |
| 1st | 143,445 | 95,061 | 66.3 | 89,492 | 62.4 | 5,569 | 5.9 | 8.6 |
| 1987: | | | | | | | | |
| 4th | 143,187 | 95,433 | 66.6 | 90,347 | 63.1 | 5,086 | 5.3 | 7.9 |
| 3rd | 142,802 | 95,924 | 67.2 | 90,434 | 63.3 | 5,490 | 5.7 | 8.6 |
| 2nd | 142,030 | 94,546 | 66.6 | 88,869 | 62.6 | 5,677 | 6.0 | 8.7 |
| 1st | 141,257 | 93,152 | 65.9 | 86,904 | 61.5 | 6,249 | 6.7 | 9.6 |
| | | | | | | | | |
| 1993 | 150,551 | 100,777 | 66.9 | 93,826 | 62.3 | 6,951 | 6.9 | 10.0 |
| 1992 | 149,120 | 100,058 | 67.1 | 92,595 | 62.1 | 7,463 | 7.5 | 10.6 |
| 1991 | 147,685 | 98,957 | 67.0 | 92,377 | 62.6 | 6,580 | 6.6 | 9.6 |
| 1990 | 146,144 | 98,468 | 67.4 | 93,148 | 63.7 | 5,320 | 5.4 | 7.9 |
| 1989 | 144,911 | 97,660 | 67.4 | 92,624 | 63.9 | 5,036 | 5.2 | 7.5 |
| 1988 | 143,903 | 96,260 | 66.9 | 91,141 | 63.3 | 5,119 | 5.3 | 7.9 |
| 1987 | 142,319 | 94,764 | 66.6 | 89,138 | 62.6 | 5,625 | 5.9 | 8.7 |
| 1986 | 139,941 | 92,665 | 66.2 | 86,508 | 61.8 | 6,157 | 6.6 | 9.5 |
| 1985 | 137,713 | 90,684 | 65.9 | 84,453 | 61.3 | 6,231 | 6.9 | 9.9 |
| 1984 | 120,437 | 78,819 | 65.4 | 73,076 | 60.7 | 5,743 | 7.3 | 10.4 |
| 1983 | 118,922 | 77,394 | 65.1 | 70,137 | 59.0 | 7,257 | 9.4 | 13.1 |
| 1982 | 117,544 | 76,465 | 65.1 | 69,192 | 58.9 | 7,273 | 9.5 | 13.1 |
| 1981 | 112,987 | 73,301 | 64.9 | 67,825 | 60.0 | 5,476 | 7.5 | 10.3 |
| 1980 | 111,438 | 72,207 | 64.8 | 67,120 | 60.2 | 5,087 | 7.0 | 9.5 |
| 1979 | 109,969 | 71,192 | 64.7 | 67,029 | 61.0 | 4,163 | 5.8 | 8.0 |

Note: Beginning in 1985, estimation procedures for the Current Population Survey are based on the 1980 Census. Quarterly data shown in this table are not seasonally adjusted and, therefore, do not match seasonally adjusted numbers analyzed in the "Employment" and "Unemployment" articles.

[1] Unemployment rate adjusted to include discouraged workers and half of the workers employed part time for economic reasons.

Source: Current Population Survey.

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# Rural Conditions and Trends

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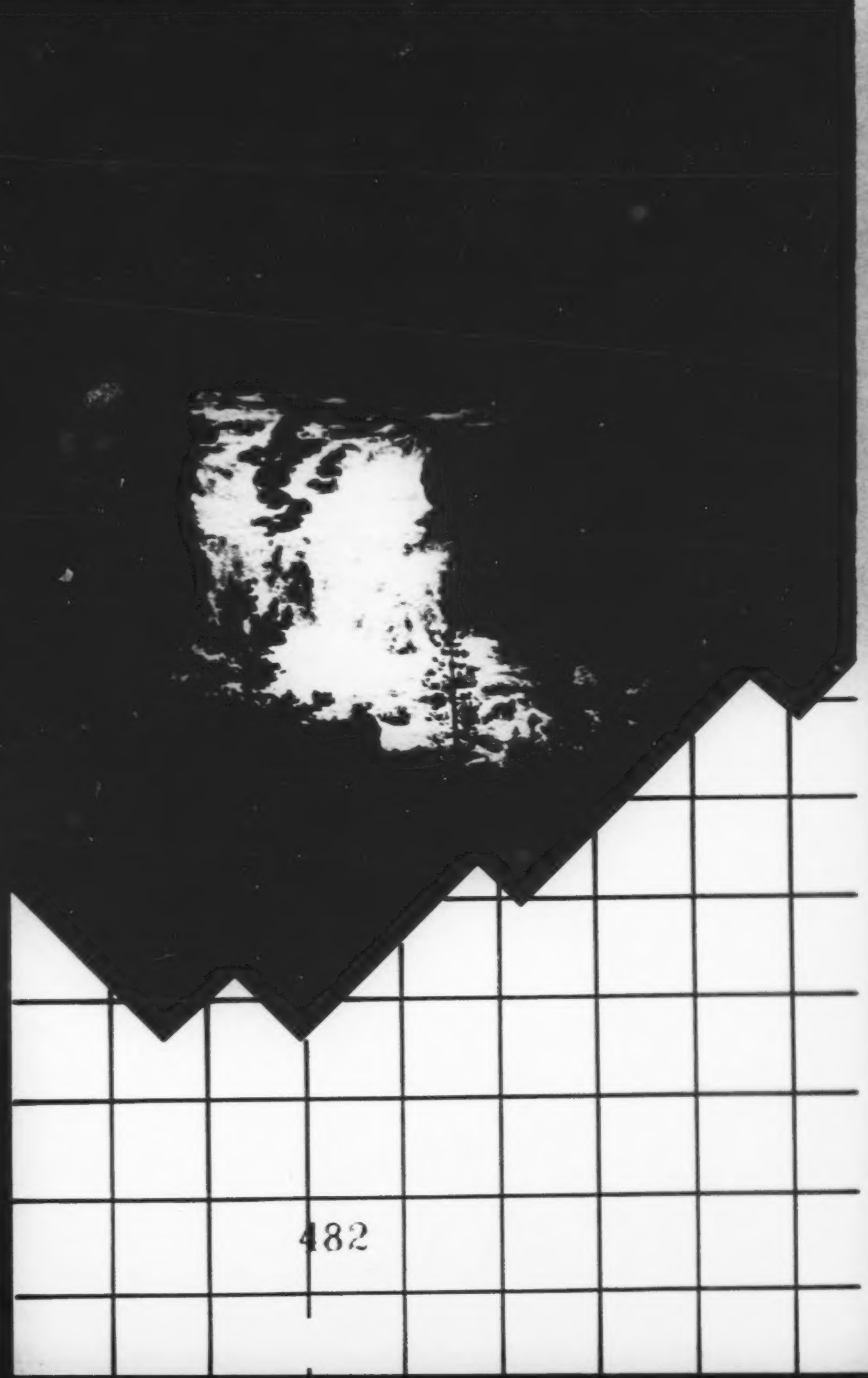
Strong national growth continues

Rural income and poverty remained stable in 1992

Population increased in many rural counties in early 1990's, countering the 1980's trend



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# Rural Income and Poverty Stable; Data and Reports Changing

*Rural income and poverty status remain stable, while rural employment and population increase. New survey procedures will affect our reporting of rural trends. New publication schedule instituted.*

The most recent data on income and poverty show continuing stability in real household income and the poverty rate for people living in rural areas in 1992. Urban conditions stabilized in 1992 after income fell and poverty increased during 1991. The gap between rural and urban household incomes remained near 25 percent and the rural poverty rate remained about 3 percentage points above the urban rate. Although rural employment was growing faster during 1992 than urban employment, new income was apparently insufficient for rural households to narrow the income and poverty gaps.

County population estimates for 1990-92 show widespread gains among nonmetro counties. Many more counties are now growing than was the case during the 1980's, partially because they are gaining residents through inmigration. Although this is a hopeful sign for rural areas, the lack of income and poverty improvements while population and employment are growing is reason for continuing concern.

Although both rural and urban employment increased during 1993, the composition of the unemployed in 1993 indicates that job uncertainty is still high this far into the recovery. A higher proportion than usual were unemployed because they lost their previous jobs, with smaller proportions quitting jobs to find better ones or newly entering the job market after completing school, putting the youngest child in day care or school, or other changing circumstances. Higher proportions than usual are also spending long periods looking for jobs. Both the rural and urban unemployed are experiencing these problems, possibly an indicator that urban areas are not disproportionately attractive sources of employment and that rural areas will continue to retain and attract residents in 1993 as they did during 1990-92.

### CPS Changes Will Affect Our Reporting of Labor Force Trends

The monthly Current Population Survey, the source of much of the data presented in *Rural Conditions and Trends* was extensively revised in January 1994. The revised CPS should provide more accurate and comprehensive information on the labor force. For example, information on industry and occupation of employment is now carried forward from earlier interviews to prevent the erroneous reclassification of workers who did not change jobs but report different information about their jobs in different months. More extensive information is being collected in several areas including multiple job holding (see the September 1993 issue of the *Monthly Labor Review* for articles explaining the CPS changes in detail). The survey design change means that employment and unemployment estimates for 1994 will not be fully comparable to past estimates. As a result, when rural data become available for 1994, we will not be able to measure reliably changes in labor market conditions that occurred between 1993 and 1994. However, the loss of trend analysis will be more than compensated for by the broader picture of rural labor force conditions the new design will provide.

### New Publication Schedule Begins

As long-time subscribers will undoubtedly have noticed, this Spring issue is a different shade of green than usual. This visual change is an indicator of our new semi-annual publication schedule. *Rural Conditions and Trends* will now be published in Spring and Fall. We discontinued the Summer and Winter issues for several reasons, including the unavailability of quarterly rural indicators other than employment and unemployment estimates and decreases in agency budget and staff. *[Linda M. Ghelfi, 202-219-0520]*

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# Growth Remains Strong in Early 1994; Fed Moves to Curb Inflation

*Real gross domestic product growth was strong in the first quarter, coming in over 4 percent following the 7.0-percent surge in the last quarter of 1993. The Federal Reserve raised the Federal funds rate in February and March, bumping up short-term interest rates in an effort to ward off the threat of accelerating inflation. Long-term rates shot up in reaction to the Fed's action. Prospects for 1994 are for continued strong GDP growth with low inflation.*

After growth in real gross domestic product (GDP) of 3.6 percent in the second half of 1993—the highest 6-month GDP growth since the recovery began—GDP growth continued to be very strong in the first quarter of 1994. GDP growth in the first quarter was above 4 percent based on a consensus of private forecasters. Despite bad weather, consumer spending rose above expectations. Warmer weather has brought a rebound in construction, both business and residential, with strong growth in business equipment. The surprise improvement in the trade balance at the end of 1993 will not likely continue, but export growth should remain strong through 1994.

### Industrial Production Strong Despite Severe Weather

Industrial production in the first 2 months of 1994 grew at an annualized rate of 7.4 percent, above its 7.0-percent growth in the last quarter of 1993. Most analysts were surprised by this growth, as the Midwest and Northeast had worse than average winter seasons causing plant shutdowns early in the year.

During the first quarter of 1994, jobs grew by 208,000 per month, well above the 158,000 per month average increase in the last half of 1993. The unemployment rate was 6.5 percent in March, the same as February, and down slightly from 6.6 percent in January. The additional 465,000 jobs added in March were many more than expected. Employment growth should be somewhat slower for the last three quarters in 1994 but above the 1993 average of about 140,000 jobs per month.

### Personal Income and Consumption Growth Surge

Personal income during the first 2 months of 1994 grew at an annualized rate of 7.1 percent, higher than its 6.1-percent growth in the last half of 1993. Plant closings due to severe winter weather dampened personal income growth, but despite those closings, income growth was strong. All major income categories (wages and salaries, proprietors' income, and dividends, interest, and rental income) grew during the last half of 1993, but in January and February, farm and rental income declined from end-of-1993 levels. Consumer spending in February was strong in all categories, growing 1.0 percent over January. Reports of high retail sales by major stores in March suggest March consumer spending was strong as well.

### Despite Fed Tightening, Interest Rates Remain Relatively Low

Responding to concerns about possible accelerating inflation, the Federal Reserve Board (Fed) increased the Federal funds rate on February 4 and March 22. The Federal funds rate is the rate at which banks loan money to each other to meet bank reserve requirements. Each increase was 0.25 percentage point. Since the February 4 rate increase, the 3-month Treasury bill rate rose from 3.2 percent to 3.6 percent, and the 30-year bond rate from 6.4 percent to 7.4 percent. The rise in long-term interest rates reflects the Federal funds rate increase and financial market concerns that economic growth and inflation may accelerate significantly in 1994. Strong upward revisions of fourth-quarter GDP growth were particularly troubling to the bond market. Most analysts, however, expect Treasury bond yields to drop as the increased growth estimates were largely from a likely one-quarter-only improvement in the real trade deficit. The bond market is also concerned that real private credit demand will pick up sharply in response to stronger growth in 1994.

The second interest rate hike came because the Fed was concerned about the inflationary potential revealed in recent capacity utilization data. Recent data show bank loans, especially consumer loans, are now growing faster than in 1993. As a result, the second Fed rate increase was followed by an increase in the prime lending rate to 6.25 percent. This was the first increase in the prime in almost 6 years. Nevertheless, while picking up, interest rates remain near record lows. Most analysts expect short-term rates to rise an additional percentage point while long-term rates, after moving down during the summer, are expected to rise about half a percentage point above current levels at the end of the year. Passbook interest rates should rise about three-quarters of a percentage point.

### Consumer Prices Rising Slowly

Consumer prices rose 2.5 percent in the 12-month period ending this February—below 1993's 2.9-percent increase. A continued run-up of commodity prices in early 1994 made some analysts fearful of increasing inflation. Prior to the Fed action raising short-term rates, some analysts saw inflationary potential in the robust increases in industrial production and capacity utilization in early 1994.

### Increasing Trade Deficit

The trade deficit widened in January. Because of Europe's continuing recession and Japan's slow growth there was virtually no growth in their demand for imports from the United States. The rise in the value of the dollar has further contributed to sluggish U.S. exports. U.S. imports continue to rise because of the strong growth in the economy. The merchandise trade deficit was $11 billion in January up from December's $8.7 billion.

### The Outlook: Strong Growth, Low Inflation

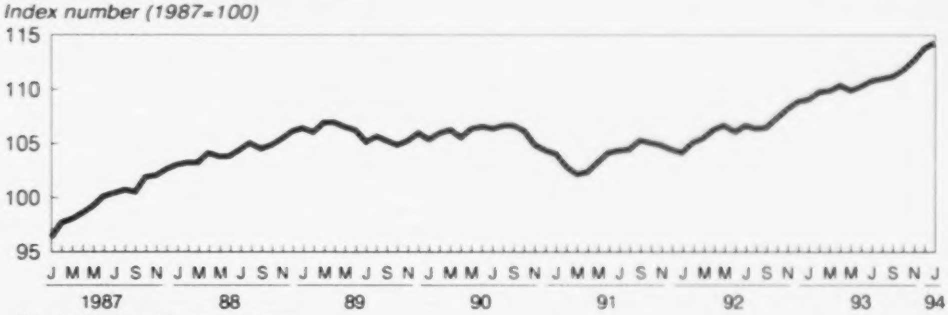
The early statistics from 1994 are extremely favorable, making it clear that GDP growth in the first quarter was above 4 percent. The strength in the quarter comes despite the severe winter and the spectacular last quarter growth in 1993, which set a high level from which to increase. The growth rates experienced by interest-sensitive sectors, such as housing and cars, late in 1993 and early in 1994 are not sustainable—which is why the Fed intervened without direct evidence of a surge in inflation.

Most private forecasters, given the Fed's intervention, expect that low inflation and relatively low long-term interest rates will boost the private economy in 1994. They believe real GDP will grow between 3.3 and 4.1 percent in 1994, easily exceeding the annual rate of growth during 1993. Consumer price inflation will likely be between 2.4 percent and 3.2 percent, about the same as in 1993. Interest rates are expected to rise by the end of the year, in part due to some further Fed tightening as the economy gains strength. Bond yields and mortgage rates, after the fastest rise in over a decade, are expected to drop this summer. But, increasing credit demand should drive long-term yields up by the end of the year.

Even the end-of-year interest rates will be relatively low, so strength in 1994's growth is expected to continue to come from interest-sensitive sectors such as housing, business investment, and durable goods sales. As employment continues to pick up, stronger personal income growth and low interest rates will ensure increases in durable good sales—especially personal vehicles. Government spending will be very mildly stimulative as Federal spending goes up slightly for California earthquake aid and State and local spending picks up as income and sales tax revenues rise. On balance, the major factor restraining GDP growth in 1994 will be increasing trade deficits. *[D. A. Torgerson, 202-219-0782. Data as of April 12, 1994.]*

## Industrial production

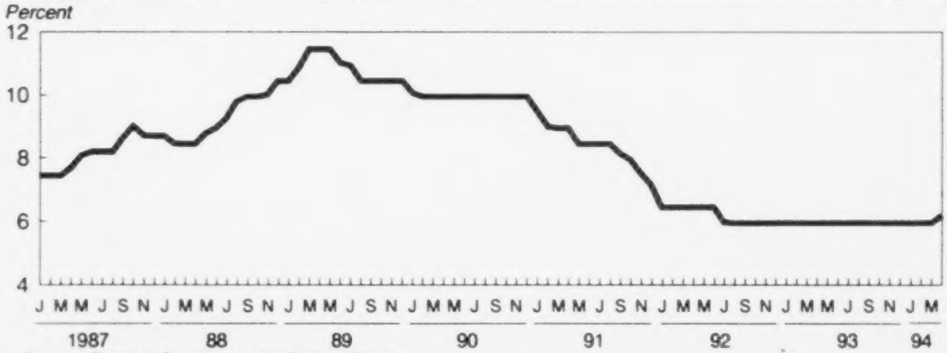
**Industrial production continued to increase in January after its surprisingly fast rise during the last few months of 1993**



Source: Bureau of Economic Analysis.

## Bank prime rate

**The bank prime rate rose to 6.25 percent in late March, the first increase in almost 6 years**



Source: Board of Governors of the Federal Reserve.

# Rural Employment Growth Stable, but Still Faster than Urban in 1993

*Rural employment continued to grow during 1992-93, at approximately the same rate as in 1991-92. Employment gains in rural areas were largest in trade and professional services sectors. Rural employment rebounded most strongly in the West and Midwest.*

Between 1992 and 1993 rural employment grew by 1.9 percent, or 477,000 workers, according to Current Population Survey (CPS) annual data. The 1993 increase was slightly smaller than the 2.1-percent increase from 1991 to 1992, but the decrease in the estimated growth rate was not statistically significant. While rural employment steadily recovered from its 1.1-percent decline during 1990-91, the urban recovery was slower and more uneven. Urban employment grew by 1.3 percent, or by 1,231,000 workers during 1993. This was below the rural employment growth rate for 1993, but a big improvement over the 0.2-percent urban growth during 1992.

But what types of jobs are being created? Examining employment changes by industrial sector can provide information on where the work force grew.

### Rural Employment Up in Trade and Professional Services

Recent employment gains were not distributed evenly across industries during 1992-93 and 1991-92, according to data from the CPS earnings microdata file. Rural employment grew the most in the trade sector, which increased by 224,000 workers between 1992 and 1993. The number of professional services workers increased by 151,000 during this time period. Manufacturing employment remained largely unchanged in rural areas, although data actually show a drop of 25,000 workers. Rural agricultural, mining, and nonprofessional services employment also declined.

Urban areas' largest employment gains were posted in the nonprofessional services sector, which grew by 500,000 workers, while professional services showed an increase of 414,000 workers. Government and trade employment also jumped by 166,000 and 133,000 workers, respectively. Urban manufacturing employment declined by 320,000 workers, while the number of agricultural and construction workers fell slightly.

Employment changes in 1992-93 varied somewhat from those at the beginning of the recovery. Rural employment growth had been concentrated in the professional services sector, which grew by 319,000 workers in 1991-92. Trade and construction employment also grew, increasing by 98,000 workers and 79,000 workers. During 1991-92, rural manufacturing employment posted no gains, and agriculture, mining, utilities, and finance, insurance, and real estate (FIRE) either stagnated or showed only slight increases.

During 1991-92, three industrial sectors accounted for most of the employment growth in urban areas. Professional services employment grew the most, adding 1,639,000 workers, accompanied by slight gains in transportation and public utilities and trade employment. Employment losses were concentrated in the nonprofessional services sector, down 796,000 workers, and the manufacturing sector, which lost 507,000 workers. There were also slight employment losses in agriculture, mining, construction, FIRE, and government.

### Rural Employment Gains Concentrated in West and Midwest

As with the changes by industrial sector, not all rural areas benefited equally from the employment growth. According to preliminary BLS county data, much of the growth in rural employment took place in the West and Midwest during 1992-93. Employment climbed 1.9 percent in the West and 1.8 percent in the Midwest. Rebounding employment in the Pacific States drove the improvement in rural employment in the West. Rural employment climbed 2.4 percent in the Pacific States, a 2-percentage-point improvement over its 1989-90 low. Improved employment conditions in the East North Central States contributed to the rural Midwest's employment growth. Rural employment increased 2.4 percent in the East North Central States, a vast improvement over the decline of 0.5 percent in 1989-90.

In the Northeast, the New England and the Middle Atlantic States showed only slight rural employment gains at 0.9 of a percentage point. Employment in the rural South increased 1.2 percent, led by the East South Central States which rebounded between the 1991-92 and 1992-93 periods, changing from -1.6 percent to 1.9 percent. Rural employment growth in the South Atlantic and West South Central States was more moderate at 1.0 and 0.7 percent. *[Elizabeth M. Dagata, 202-219-0536]*

## Employment by industrial sector, 1991-93

**Nonmetro areas' largest gains were in trade and professional services employment**

| | Nonmetro | | | Metro | | |
|---|---|---|---|---|---|---|
| | | Change in employment | | | Change in employment | |
| Industry | Total employed, 1993 | 1992-93 | 1991-92 | Total employed, 1993 | 1992-93 | 1991-92 |
| | | | *Thousands* | | | |
| Total | 25,480 | 477 | 503 | 93,826 | 1,231 | 218 |
| Agriculture, forestry, and fishing | 1,713 | -40 | 10 | 1,557 | -34 | -45 |
| Mining | 302 | -10 | -11 | 366 | 19 | -41 |
| Construction | 1,748 | 78 | 79 | 5,373 | 119 | -165 |
| Manufacturing | 5,107 | -25 | 0 | 14,460 | -320 | -507 |
| Transportation and public utilities | 1,526 | 64 | 2 | 6,932 | 118 | 160 |
| Trade | 5,129 | 224 | 98 | 19,633 | 133 | 131 |
| Finance, insurance, and real estate | 1,037 | 60 | 16 | 6,936 | 116 | -23 |
| Nonprofessional services[1] | 2,155 | -38 | -56 | 11,266 | 500 | -796 |
| Professional services[2] | 5,609 | 151 | 319 | 22,697 | 414 | 1,639 |
| Government | 1,154 | 13 | 46 | 4,606 | 166 | -135 |

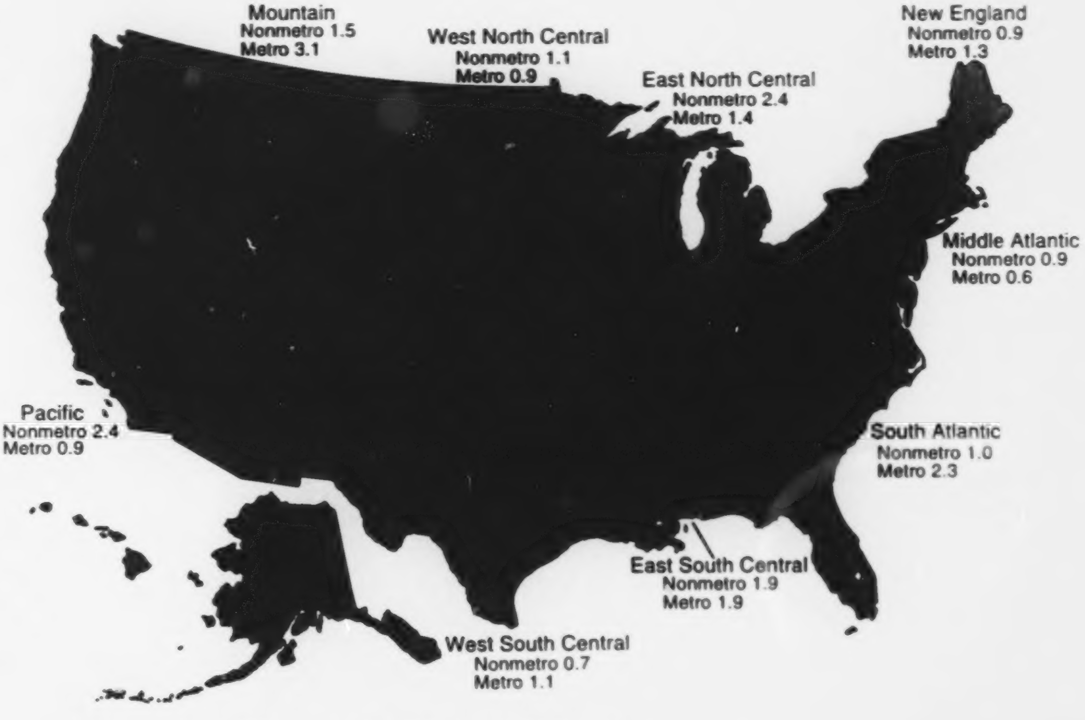
[1] Includes business, repair, personal, entertainment, and recreational services.

[2] Includes health, education, social, religious, engineering, architectural, accounting, and related services.

Source: Calculated by ERS using data from the CPS earnings microdata files.

## Employment change by division, 1992-93

**Nonmetro employment rebounded most strongly in the Pacific and East North Central divisions**


Mountain
Nonmetro 1.5
Metro 3.1
West North Central
Nonmetro 1.1
Metro 0.9
East North Central
Nonmetro 2.4
Metro 1.4
New England
Nonmetro 0.9
Metro 1.3
Middle Atlantic
Nonmetro 0.9
Metro 0.6
Pacific
Nonmetro 2.4
Metro 0.9
South Atlantic
Nonmetro 1.0
Metro 2.3
East South Central
Nonmetro 1.9
Metro 1.9
West South Central
Nonmetro 0.7
Metro 1.1

Source: Calculated by ERS using data from the Bureau of Labor Statistics.

# Rural Unemployment Was Down in 1993, but Job Losses Remained High

*The rural unemployment rate declined in 1993 but remained higher than before the 1990-91 recession. Firms continued to lay off an unusually large number of workers for a period of economic recovery, and the length of time unemployed workers required to find new jobs remained at a recessionary level.*

Rural unemployment averaged 6.5 percent in 1993, down from 7.1 percent in1992, according to Current Population Survey (CPS) data. Urban unemployment remained a little higher than rural but also improved, falling from 7.5 to 6.9 percent. Despite these improvements, both rural and urban unemployment remained above their 1989 prerecession lows of 5.7 and 5.2 percent.

Rural unemployment fell in all four census regions between 1992 and 1993, leaving the relative rankings unchanged with rural unemployment lowest in the Midwest and highest in the West, according to preliminary Bureau of Labor Statistics county data. Rural unemployment was lowest in the West North Central States of Iowa, Kansas, Nebraska, and North and South Dakota. Five of the six States with the highest rural unemployment rates were located on or near the Pacific Coast—Alaska, Arizona, California, Oregon, and Washington (West Virginia was the sixth).

### Firms Continue To Shed Workers

The unemployed can be categorized by whether they lost their previous jobs (job losers), voluntarily quit to search for better jobs (job quitters), or have been out of the labor force, for example studying or parenting full time, but are now looking for jobs (market entrants). The share of the unemployed who are job losers typically increases during a recession because poor business conditions result in more layoffs, and fewer people quit jobs or enter the labor market in periods when finding a job is particularly difficult. Consistent with this pattern, the job-loser share of rural unemployment climbed from 48 percent in 1989 to 56 percent in 1992 when rural unemployment peaked. The rural job-loser share was only slightly lower in 1993, however, despite the fact that about half of the 1989-92 rise in the unemployment rate was undone during 1993. The 1989-93 rise in the job-loser share was even larger in urban areas.

The persistence of the high job-loser share suggests that many firms continued to "downsize" to cut their operating costs and improve profit margins, despite improving business conditions. This interpretation is consistent with the steady stream of layoff announcements made by large corporations during 1993. Also consistent with these announcements, increasing numbers of job losers had held white collar jobs or were employed in service industries. For example, between 1989 and 1993 the share of job losers previously employed in managerial, professional, and technical occupations rose from 11 to 15 percent and the share previously employed in wholesale and retail trade, and services sectors rose from 40 to 46 percent. It is unclear whether high layoff rates represent a long-term or temporary problem, or whether rural workers will continue to be less affected than urban workers.

### Time Needed to Find a Job Remains at Its Recessionary Level

Unemployment durations typically rise during a recession because relatively few firms are hiring and many unemployed workers are competing for those jobs. True to this pattern, the recessionary rise in the unemployment rate between 1989 and 1992 was accompanied by increases in the average number of weeks unemployed rural workers had been searching for jobs, from 13 to 17 weeks, and in the share of the unemployed out of work for over 6 months, from 13 to 21 percent. Unemployment durations remained virtually unchanged in 1993, however, despite considerable job growth and falling unemployment. Older and college-educated individuals were jobless longer than other workers in 1993 and were particularly affected by the 1989-93 increase in jobless durations, as were individuals residing in the Northeast. As with the job loss rate, the increase in unemployment duration between 1989 and 1993 was larger in urban than in rural areas.

The persistence of high unemployment durations into the early stages of an economic recovery is quite typical. More buoyant hiring attracts labor market entrants who are often more successful than the long-term unemployed in competing for the new job openings. If the business expansion persists and unemployment continues to fall, enough of the long-term unemployed are eventually reemployed to bring down average unemployment durations.

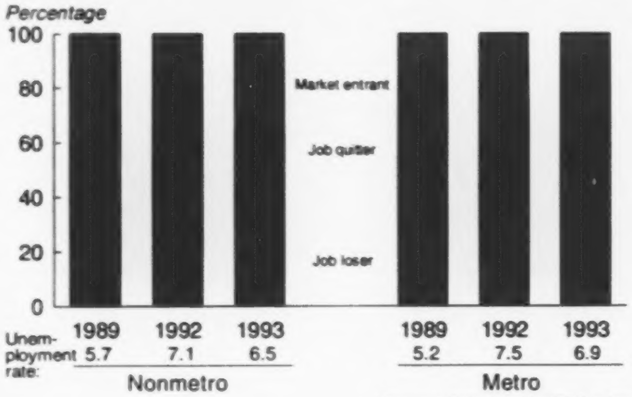
Two recent shifts in the composition of the unemployed may cause long-duration unemployment to be more persistent during the current recovery than in past recoveries. First, the share of laid-off workers expecting to be recalled to their former jobs has fallen and this shift may imply increased reemployment difficulties. Second, the changing demographic mix of individuals becoming unemployed suggests that the process of matching the unemployed with the available jobs may have become more difficult. For example, the shares of older and college-educated workers among the unemployed has increased and these workers may have skills that are quite occupationally specific and thus unsuited for most job openings.

### Job Security of Concern

Unemployment is most often analyzed from the perspective of the unemployed, but is also of concern for the employed, because few if any jobs are totally secure. From the perspective of workers with jobs, the level of job insecurity reflects both the likelihood of losing their jobs and how difficult it would be to find new jobs. Data for 1993 indicate that job insecurity remained quite high despite the decline in the unemployment rate. This apparent paradox reflected the persistence of cost-cutting layoffs, despite improving business conditions, and the failure of unemployment duration to shorten as the number of unemployed job seekers fell. Continued economic expansion should lessen these job security concerns. Some labor market analysts predict, however, that the share of the workforce that will spend most or all of their working lives with a single employer has permanently fallen. *[Paul Swaim, 202-219-0552]*

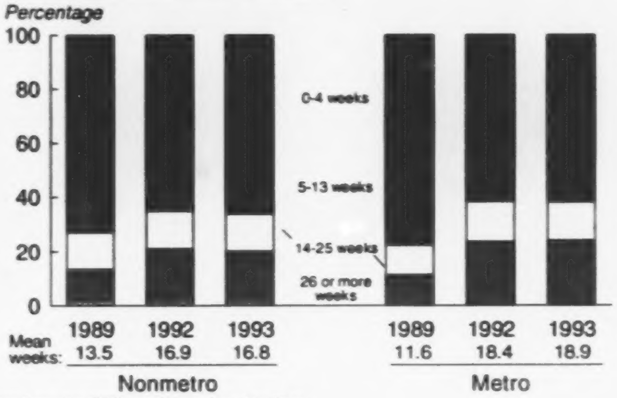
**Distribution of the unemployed by how they became jobless**

**The share of job losers remains above 1989's prerecession level**



**Distribution of the unemployed by number of weeks looking for work**

**The average time the unemployed have spent looking for jobs remains above the prerecession level**



Source: Calculated by ERS using data from the CPS earnings microdata files.

## Weeks looking for a job by the nonmetro unemployed

**Unemployment duration rose most for older workers, college graduates, and residents of the Northeast**

| Group | Time unemployed | | | Share looking 6 months or longer | | |
|---|---|---|---|---|---|---|
| | 1989 | 1993 | Change | 1989 | 1993 | Change |
| | *Mean weeks* | | | *Percent* | | *Percentage points* |
| Total nonmetro | 13.5 | 16.8 | 3.3 | 13.4 | 20.0 | 6.6 |
| By gender: | | | | | | |
| Male | 15.5 | 18.6 | 3.1 | 16.0 | 22.4 | 6.4 |
| Female | 11.1 | 14.7 | 3.6 | 10.2 | 17.2 | 7.0 |
| By age: | | | | | | |
| 16-19 | 7.5 | 8.9 | 1.4 | 4.9 | 8.5 | 3.6 |
| 20-29 | 12.7 | 13.6 | .9 | 12.4 | 15.3 | 2.9 |
| 30-39 | 14.8 | 19.3 | 4.5 | 15.5 | 23.0 | 7.5 |
| 40-49 | 18.2 | 22.1 | 3.9 | 20.9 | 28.1 | 7.2 |
| 50-59 | 16.7 | 23.8 | 7.1 | 15.9 | 29.9 | 14.0 |
| 60 and older | 20.0 | 22.9 | 2.9 | 21.2 | 32.0 | 10.8 |
| By educational attainment: | | | | | | |
| Less than high school | 13.0 | 14.6 | 1.6 | 13.2 | 15.9 | 2.7 |
| High school degree or GED | 14.8 | 17.3 | 2.5 | 15.5 | 21.3 | 5.8 |
| Some college | 10.0 | 16.9 | 6.9 | 8.1 | 21.3 | 13.2 |
| Undergraduate degree | 11.5 | 24.8 | 13.3 | 11.2 | 27.7 | 16.5 |
| 1 or more years of graduate school | 18.9 | 23.8 | 4.9 | 18.7 | 25.7 | 7.0 |
| By region: | | | | | | |
| Northeast | 11.7 | 19.8 | 8.1 | 8.8 | 26.1 | 17.3 |
| Midwest | 14.9 | 15.9 | 1.0 | 15.2 | 18.3 | 3.1 |
| South | 13.8 | 16.6 | 2.8 | 14.4 | 19.1 | 4.7 |
| West | 11.2 | 16.6 | 5.4 | 10.1 | 20.6 | 10.5 |

Source: Calculated by ERS using data from the CPS earnings microdata file.

# Rural Household Income Unchanged

*The rural-urban household income gap held steady through 1992, as incomes remained essentially unchanged. Stagnant rural income during the 1980's masked winners and losers in income growth among the Nation's rural counties.*

According to the latest Current Population Survey (CPS) data, the gap between rural and urban incomes persisted through 1992. Rural households historically have had lower median incomes than urban households. Since 1986, the rural median has been 23 to 25 percent below the urban median.

### Rural Income Stagnates, Urban Income Stabilizes

Median household income in both rural and urban areas remained unchanged in real terms between 1991 and 1992. For rural areas, the 1992 median of $24,991 represented no significant change since 1986, and thus continues the trend in stagnant household income. Urban median income, however, stabilized after 2 years of deterioration. Between 1989 and 1991, the real median income of urban households declined by 6.5 percent (approximately $2,300 in 1992 dollars).

No meaningful changes in median household income occurred for rural White, Black, or Hispanic households. The median income of urban Blacks, on the other hand, dropped by 5.5 percent, or about $1,145, between 1991 and 1992. Despite the decline for urban Black households, rural Blacks continue to have the lowest median income and the widest income gap compared with their urban counterparts. Rural Black households seem particularly disadvantaged economically when compared with rural White households, whose median income was almost double the Black median.

### Uneven Growth Across Rural Counties

Rural real median household income has not changed appreciably since 1986, according to CPS data. The decennial censuses of 1980 and 1990 also confirm that rural real income stagnated between 1979 and 1989. The census data are available by county and show that the aggregate analysis of rural areas masks diversity in growth and decline across the Nation's rural counties.

Between 1979 and 1989, median household income growth varied among rural counties within States and among rural areas of States within regions. In general, however, rural losses in income were concentrated in rural areas of the West and Midwest. The Northeast displayed the highest gains in the real median household income of its rural households, at 8.6 percent.

During the 1980's over half of rural counties suffered declines in real median household incomes. About 20 percent of rural counties, in contrast, had real growth in median household income above the national average of 6.5 percent. *[Kathleen Kassel, 202/219-0536]*

## Median household income by race and ethnicity

**Black households have the lowest nonmetro income and the widest income gap compared with their metro counterparts**

| Race/ethnicity | 1992 household income | | Nonmetro-metro gap[1] | Real change, 1991-92[2] | |
|---|---|---|---|---|---|
| | Nonmetro | Metro | | Nonmetro | Metro |
| | *Dollars* | | *Percent* | | |
| Total | 24,991 | 32,694 | 23.6 | -1.7 | -0.7 |
| White | 26,072 | 35,059 | 25.6 | -1.9 | .1 |
| Black | 13,821 | 19,674 | 29.7 | 2.3 | -5.5 |
| Hispanic[3] | 19,642 | 23,126 | 15.1 | -1.5 | -2.6 |

Note: Nonmetro-metro difference is statistically significant in each category. Change in income from 1991 to 1992 is only significant for Black households in metro areas.

[1] Percent by which nonmetro income is lower than metro.

[2] Income in 1991 converted to 1992 dollars using the Consumer Price Index.

[3] Hispanics may be of any race.

Source: Current Population Survey.

### Median household income by region

**The nonmetro Northeast had the highest median income and the largest income growth among nonmetro areas of regions**

| Region | 1989 household income |  | Nonmetro-metro gap[1] | Real change, 1979-89[2] |  |
|---|---|---|---|---|---|
|  | Nonmetro | Metro |  | Nonmetro | Metro |
|  | *1992 dollars* |  | *Percent* |  |  |
| Northeast | 30,499 | 39,691 | 23.2 | 8.6 | 18.3 |
| Midwest | 27,039 | 35,930 | 24.7 | -4.1 | -1.4 |
| South | 24,001 | 33,525 | 28.4 | 1.8 | 6.1 |
| West | 28,397 | 38,611 | 26.5 | -3.1 | 10.6 |

Note: The national growth rate for this period was 6.5 percent.

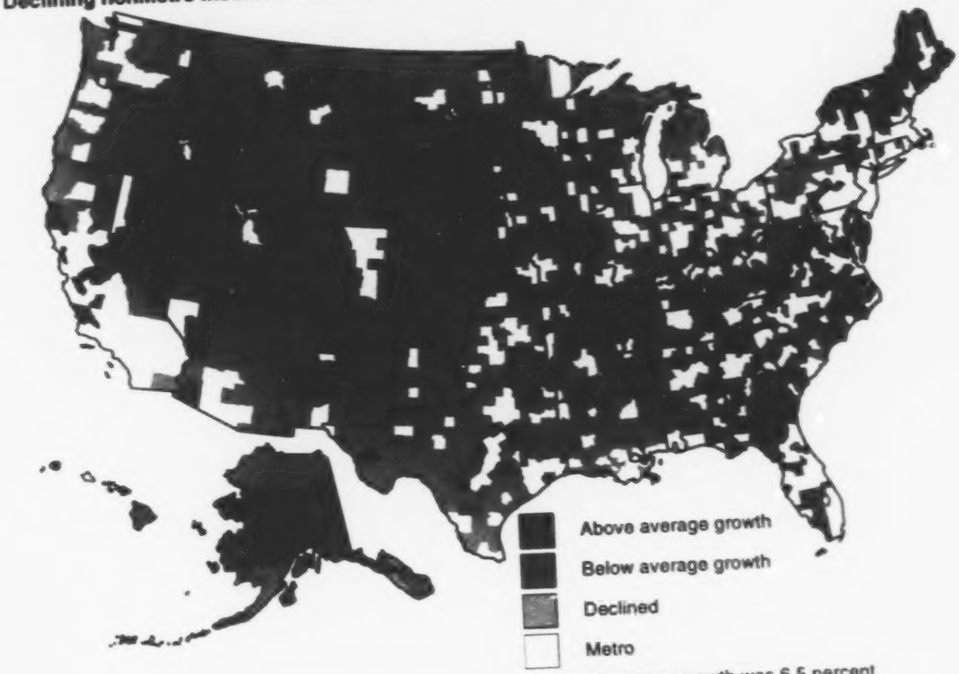
[1] Percent by which nonmetro income is lower than metro.

[2] Income in 1979 and 1989 converted to 1992 dollars using the Consumer Price Index.

Source: Calculated by ERS using data from the 1980 and 1990 Censuses of Population and Housing.

### Change in nonmetro real median household income, 1979-89

**Declining nonmetro income concentrated in Midwest and West**



National average growth was 6.5 percent.

Source: Calculated by ERS using data from the 1980 and 1990 Censuses of Population.

# Rural Poverty Rate Remains Higher than Urban Rate

*Between 1991 and 1992 the number of rural poor increased by about half a million. The rural poor remain concentrated in the South, the only region to have significant increases in the number of poor and the poverty rate. The poverty rate remained higher among rural Blacks than Blacks living in the central cities of urban areas.*

The 1992 estimated number of rural persons in poverty was 9.5 million, a statistically significant increase of about half a million people over 1991. At 16.8, the rural poverty rate in 1992 was not statistically different from the 1991 rate. With urban poverty at 13.9 percent, the pattern of significantly higher poverty in rural areas continued.

One of the main reasons for the higher rural poverty rate is the preponderance of low-wage jobs found in rural areas. Nearly a third (31 percent) of the 2.1 million full-time, full-year workers who were poor in 1992 lived in rural areas, while only a fifth (20 percent) of all full-time, full-year workers lived in rural areas.

### Rural South Had Highest Poverty

The South remains the region hardest hit by poverty. Not only did the South continue to show the highest poverty rate of any region, but the South was the only region with significant increases in the number of poor and the rate of poverty between 1991 and 1992. Both urban and rural 1992 poverty rates were higher in the South than in any other region, with the rural South in a particularly disadvantaged position (see app. table 3). Within the South, 34 percent of the region's poor lived in rural areas, compared with 28 percent of the South's total population. A disproportionate share (53 percent) of all rural poor lived in the South, compared with 43 percent of the total rural population. Although the South has a somewhat greater concentration of high poverty-risk groups, such as Blacks and families headed by women, that alone does not explain higher poverty there than in other regions. Southern poverty rates were higher for all age, race, and family-type groups.

### Black and Hispanic Rural Poverty Substantially Higher than for Whites

About three-fourths (75.5 percent) of the rural poor were White. However, the poverty rate was much lower for rural Whites (14.2 percent) than for rural Blacks (40.8 percent) or Hispanics (36.7 percent).

Over the last 7 years, poverty rates for Blacks have changed little in rural areas but slowly climbed in the central cities of urban areas. Despite these trends, the rate remained much higher among rural than central city Blacks (at 35.2 percent) in 1992.

### Poverty for Families Headed by Women Remains Higher in Rural Areas

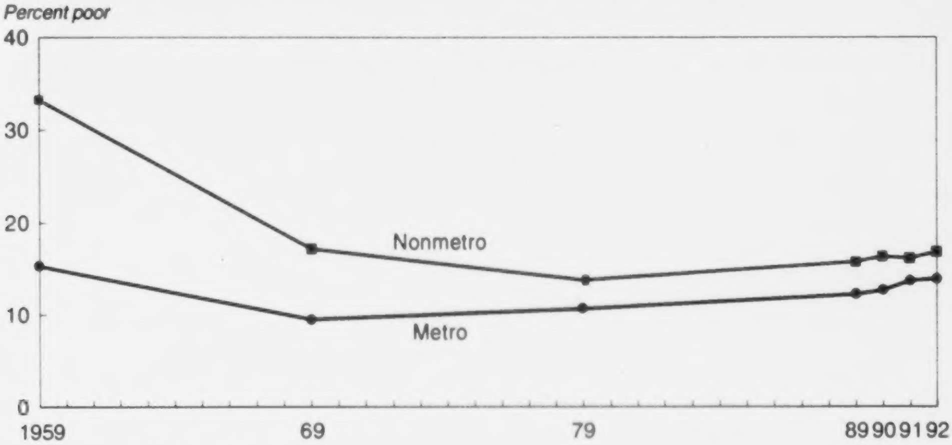
The national poverty rate was more than five times higher among families headed by women with minor children (45.7 percent) than married-couple families with children (8.4 percent). At 48.2 percent, the rural poverty rate for families headed by women with children was higher than the national rate. When the female householder was Black, the rural rate rose to 68.6 percent. The rural poverty rate for Black families headed by women with children was higher than the rate for their counterparts living in central cities (57.9 percent).

### Rural Share of Welfare Payments Disproportionately Low

Among those age 15 or over (those for whom income sources were recorded), about 5 percent of urban and 6 percent of rural residents received public cash assistance (Aid to Families with Dependent Children (AFDC), General Assistance, and Supplemental Security Income) in 1992. The income of 71 percent of both urban and rural recipients of AFDC and/or General Assistance remained below the poverty level in spite of the payments. Although the rate of poverty among Supplemental Security Income recipients was lower, more than half (54 percent) of rural recipients and 44 percent of urban recipients remained poor. Only about 19 percent of the aggregate value of public welfare payments went to rural residents in 1992. One of the reasons for the lower share of monetary assistance sent to rural areas may have been the relatively shorter time spent on public assistance among rural recipients. Perhaps a more important contributing factor, however, is the fact that, in Southern States where the rural poor are concentrated, maximum AFDC benefit amounts are set well below the median amount for all States. *[Linda Swanson, 202-219-0535]*

## Poverty rates, 1959-92

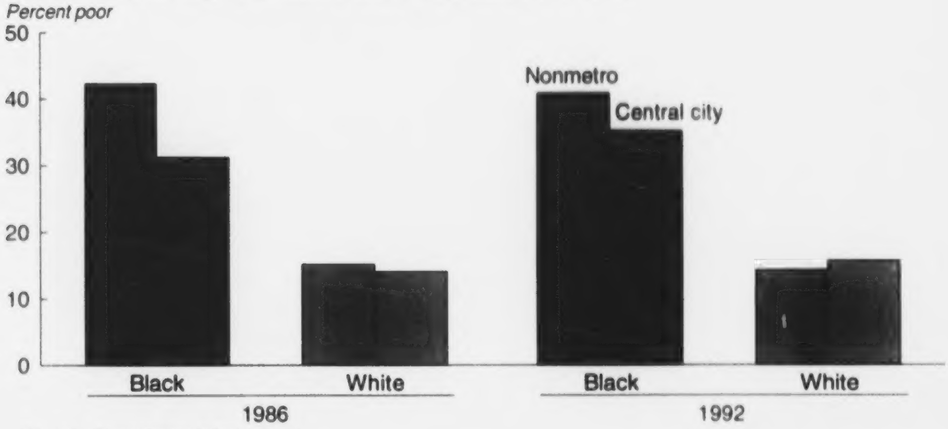
**The nonmetro-metro poverty differential has not improved since 1979**



Source: Current Population Survey.

## Poverty rates by residence and race, 1986 and 1992

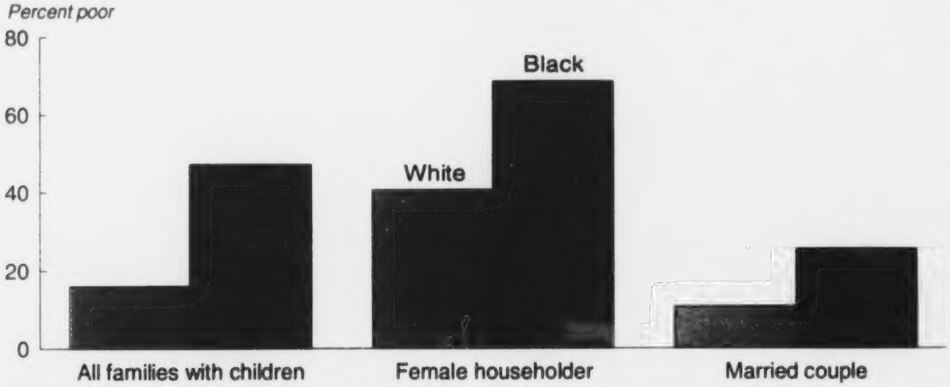
**Black poverty still higher in nonmetro areas than in central cities**



Source: Current Population Survey.

## Poverty among nonmetro families with children by race, 1992

**Female headship increases poverty risk more for Black families than White**



Source: Current Population Survey.

# Nonmetro Population Growth Widespread in Early 1990's, Countering 1980's Trend

*Almost two-thirds of nonmetro counties experienced population growth during 1990-92, compared with less than half of nonmetro counties during the 1980's. Net inmigration accounted for much of the growth.*

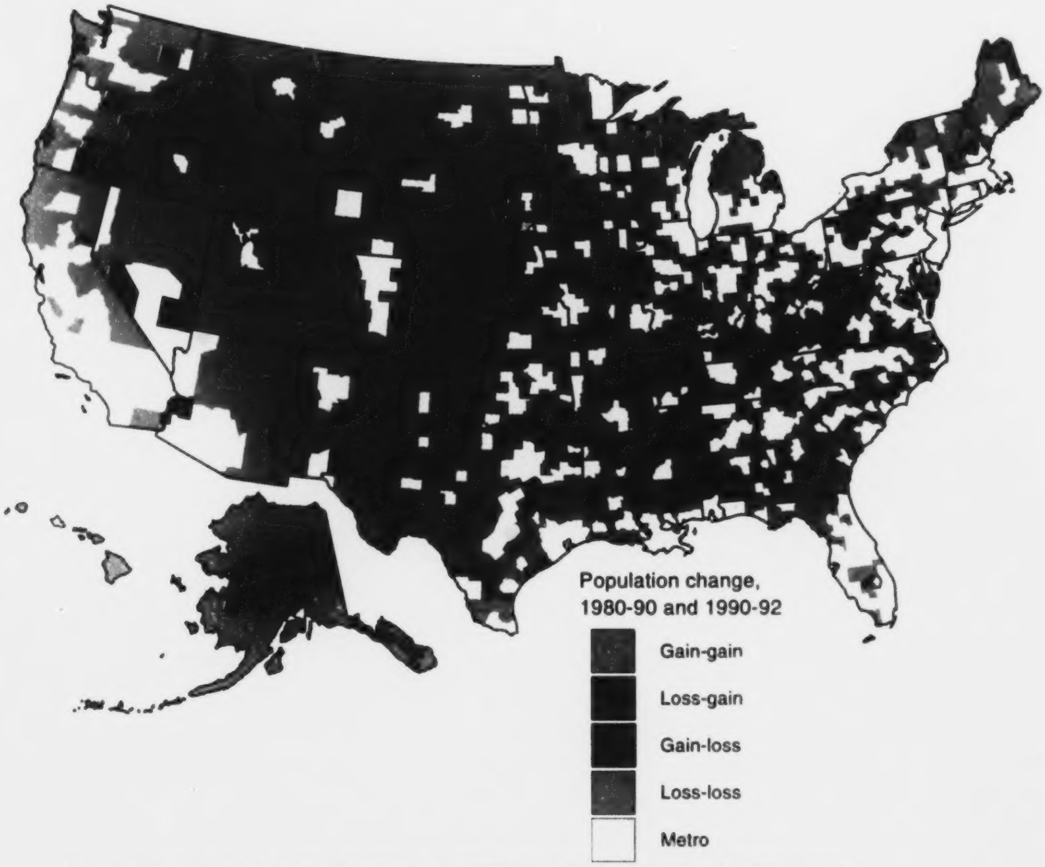
Nonmetro population growth became more widespread during 1990-92, according to estimates from the State-Federal Cooperative population series published by the Bureau of the Census. Over 64 percent of nonmetro counties gained population between April 1990 and July 1992. During the 1980's, only 47 percent of nonmetro counties gained population. In all, 442 more nonmetro counties gained population during 1990-92 than during 1980-90. Although more counties grew, the overall nonmetro population growth rate was still slower than the metro rate (1.8 vs. 2.8 percent). But the gap between metro and nonmetro growth rates narrowed compared with the 1980's as a whole when nonmetro population grew 4.2 percent and metro population grew 11.6 percent.

### Nonmetro Population Gains in All Regions; Even Some Plains Counties Turn Around

The nonmetro population grew an estimated 917,000 during 1990-92. In contrast, nonmetro areas grew by just over 2 million during the entire decade of the 1980's. Nonmetro counties gaining population during 1990-92 are largely in the Mountain States, Upper Great Lakes, Ozarks, Southeast, and Northeast. Population loss continued to be concentrated in the Great Plains, western Corn Belt, and Mississippi Delta. Counties that lost population during the 1980's and then gained during 1990-92 are sprinkled across the country, with some concentration around metro areas and nonmetro counties that were already growing during the 1980's. In the Corn Belt and Great Plains, a modest turnaround occurred in a number of counties in Illinois, Iowa, Nebraska, and South Dakota.

**Nonmetro population change, 1980-90 and 1990-92**

**Decline has ended in more than 500 counties since 1990**



Source: Calculated by Loyola University-Chicago and ERS using data from the 1980 and 1990 Censuses of Population and 1992 Federal-State Cooperative population estimates.

### Migrants Account for a Large Share of Growth

Renewed nonmetro growth is due, in part, to a recent net inflow of migrants. More than 51 percent of nonmetro counties had net inmigration during 1990-92 compared with 29 percent during 1980-90. This migration gain of 396,000 people accounted for 43 percent of nonmetro population increase between 1980 and 1990. Natural increase accounted for the remaining 57 percent of nonmetro population increase during 1990-92, as births exceeded deaths by 521,000.

### Adjacency to Metro Areas, Retirement, and Recreation Spur Nonmetro Growth

Nonmetro counties adjacent to metro areas were more likely than other nonmetro counties to experience population increase and net inmigration. Nearly 75 percent of adjacent counties gained population during 1990-92, and 60 percent had net inmigration. In fact, the rate of net inmigration to adjacent counties (1.0 percent) exceeded the metro inmigration rate (0.8 percent). However, even among more remote nonmetro counties, recent population gains and inmigration were significantly greater than during the 1980's. Nonadjacent counties had net inmigration (0.5 percent) during 1990-92 compared with net outmigration (-4.3 percent) during the 1980's.

Growth has been fastest and most widespread in areas that can be identified as recreation or retirement counties. About an eighth of nonmetro counties are identified as recreation areas, based on the importance of employment, sales, and income derived from lodging, entertainment, and recreation businesses, and the presence of seasonal-use housing. These counties had an overall population increase of 3.7 percent during 1990-92, a rate double the overall nonmetro rate and well above the pace of metro growth.

In the fifth of nonmetro counties that we classify as retirement areas, population increased by 3.6 percent during 1990-92. About a fourth of these counties have more deaths than births because of the presence of so many older people, but their population tends to grow anyway from the continued influx of retirees and other newcomers. There is partial overlap between the retirement and recreation groups.

Farming-dependent counties were the only economic type in which a majority of counties continued to decline in population after 1990; 65 percent of them lost population during 1990-92. Even so, there was sufficient growth in the minority that grew to more than offset the majority's losses. Overall, the population of farm counties increased 0.6 percent.

## Population change, 1980-90 and 1990-92

**Many more nonmetro counties grew during 1990-92 than during 1980-90, partially because the number of nonmetro counties that gained more migrants than they lost increased**

| Item | Population change | | Share of counties with increasing population | Net migration | | Share of counties with net inmigration | Natural change | | Share of counties with natural increase |
|---|---|---|---|---|---|---|---|---|---|
| | *Thousand persons* | *Percent* | | *Thousand persons* | *Percent* | | *Thousand persons* | *Percent* | |
| 1980-90:[1] | | | | | | | | | |
| United States | 22,168 | 9.8 | 54.7 | 5,206 | 2.3 | 35.5 | 16,962 | 7.5 | 91.8 |
| Nonmetro | 2,262 | 4.2 | 46.9 | -785 | -1.4 | 29.0 | 3,047 | 5.6 | 89.8 |
| Adjacent | 1,806 | 6.8 | 60.1 | 393 | 1.5 | 39.2 | 1,413 | 5.3 | 94.3 |
| Nonadjacent | 455 | 1.6 | 38.6 | -1,179 | -4.3 | 22.5 | 1,634 | 5.9 | 86.9 |
| Metro | 19,906 | 11.6 | 80.0 | 5,991 | 3.5 | 57.0 | 13,915 | 8.1 | 98.2 |
| 1990-92:[2] | | | | | | | | | |
| United States | 6,368 | 2.6 | 71.3 | 1,925 | .8 | 57.2 | 4,442 | 1.8 | 84.9 |
| Nonmetro | 917 | 1.8 | 64.2 | 396 | .8 | 51.1 | 521 | 1.0 | 80.5 |
| Adjacent | 567 | 2.0 | 74.6 | 282 | 1.0 | 60.2 | 285 | 1.0 | 87.4 |
| Nonadjacent | 351 | 1.5 | 56.1 | 115 | .5 | 44.2 | 236 | 1.0 | 75.2 |
| Metro | 5,450 | 2.8 | 91.1 | 1,529 | .8 | 73.9 | 3,921 | 2.0 | 97.1 |

[1] Metro-nonmetro status as of 1983.

[2] Metro-nonmetro status as of 1993.

Source: Calculated from 1980 and 1990 Census of Population data and 1992 Federal-State Cooperative county population estimates.

### Other Estimates Verify the Federal-State Estimates

The 1990-92 county population estimates from the Federal-State Cooperative program were calculated using new methods and benchmarked to the 1990 Census, both changes that make these estimates not completely comparable with those for 1980-90. To try to verify the change in nonmetro population growth between the 1980's and early 1990's, we obtained additional population estimates and information on recent demographic trends from 40 of the 50 State demographers.

County population estimates using different methods than those used in the Federal-State Cooperative estimates are generated by 18 States. The State-generated and Federal-State estimates are consistent in showing growth or decline since 1990 in 74 percent of the 1,044 nonmetro counties for which both estimates are available. Among the 26 percent with inconsistent estimates, the State-generated estimates more often indicate growth than the Federal-State estimates. Overall, the State-generated estimates support the findings from the Federal-State series that a marked upturn in the incidence of population growth has occurred among nonmetro counties since 1990.

The 1993 Current Population Survey (CPS) shows a net inflow of 290,000 migrants to nonmetro areas between March 1992 and March 1993, further evidence of an upturn in nonmetro growth. This is the first substantial net inmigration to nonmetro areas reported in the CPS since the early 1980's.

### Has Another Rural Turnaround Begun?

We presume that economic improvement has had much to do with the greater recent retention and renewed acquisition of people by rural and small town areas. The 1980-82 recessions were more severe and their effects lasted longer in rural areas, and the lengthy farm crisis of the mid-1980's had a draining effect on hundreds of counties. These factors undoubtedly played a large part in the slow population growth in and net outmigration from rural areas during 1980-90. Metro areas took a larger share of the effects of the 1990-91 recession and have been recovering more slowly than nonmetro areas since then. Although traditional rural extractive industries and manufacturing have not recovered to their 1979 employment levels, overall nonmetro employment levels were improving in 1992.

It is premature to argue that a major new trend is underway based on the evidence of 2 years of population estimates. Whether nonmetro population growth will continue to be widespread, will increase or decrease, remains to be seen. However, these early estimates suggest that nonmetro areas have started off the 1990's on quite a different population path than the one they followed during the 1980's. *[Kenneth M. Johnson, Loyola University-Chicago, 312-508-3461, and Calvin L. Beale, 202-219-0535]*

## Population change, net migration, and natural increase by nonmetro county type, 1990-92[1]

**More of the retirement-destination and recreation counties increased population during 1990-92 because more of them attracted migrants than other county types did**

| County type[2] | Counties | Population change | Share of counties with increasing population | Net migration | Share of counties with net inmigration | Natural change | Share of counties with natural increase |
|---|---|---|---|---|---|---|---|
| | *Number* | *Percent* | | | | | |
| All nonmetro | 2,277 | 1.7 | 64 | 0.7 | 49 | 1.0 | 80 |
| Economic types: | | | | | | | |
| Farming-dependent | 510 | .6 | 35 | -.2 | 25 | .8 | 63 |
| Mining-dependent | 122 | .9 | 59 | -.1 | 42 | 1.1 | 86 |
| Manufacturing-dependent | 513 | 1.7 | 82 | .7 | 60 | 1.0 | 95 |
| Recreational | 283 | 3.7 | 88 | 2.7 | 77 | 1.0 | 82 |
| Social/demographic types: | | | | | | | |
| Retirement-destination | 443 | 3.6 | 87 | 2.7 | 81 | .9 | 76 |
| Persistent poverty | 236 | 1.6 | 73 | .6 | 56 | 1.0 | 89 |
| Low population density | 387 | 1.1 | 41 | -.2 | 30 | 1.3 | 68 |

[1] Alaska and Hawaii excluded from this portion of analysis because most codes were not available for counties in those States.

[2] See "Nonmetro county types in the Appendix for definitions. The types add to more than the total because they overlap; they are not mutually exclusive groups.

Source: Calculated from the 1990 Census of Population data and 1992 Federal-State Cooperative county population estimates.

## Data Sources

**Macroeconomic conditions:** The economic indicators used to monitor macroeconomic changes in the U.S. economy are derived from Federal sources. Measures of inflation, including the Consumer and Producer Price Indexes, and employment and unemployment data are developed by the U.S. Department of Labor's Bureau of Labor Statistics (BLS). National income and product account information on capital investment, gross domestic product, and net exports is produced by the Bureau of Economic Analysis (BEA), U.S. Department of Commerce. Information relating to monetary policy, including changes in interest rates and foreign exchange rates, and data on industrial production are furnished by the Federal Reserve Board of Governors.

**Nonmetro conditions:** The nonmetro employment and unemployment data presented in this issue come from various Current Population Survey (CPS) and Bureau of Labor Statistics (BLS) files. The monthly CPS, conducted by the Bureau of the Census for the U.S. Department of Labor, provides detailed information on the labor force, employment, unemployment, and demographic characteristics of the metro and nonmetro populations. CPS derives estimates based on a national sample of about 60,000 households that are representative of the U.S. civilian noninstitutional population 16 years of age and over. Labor force information is based on respondents' activity during 1 week each month.

The household income and poverty data reported in this issue were calculated from the March 1993 CPS. Every year the March CPS includes supplemental questions on sources and amounts of income received during the previous calendar year. Information on family size and income is used to estimate the number of families and individuals in poverty based on official guidelines issued by the Office of Management and Budget.

The employment by industry and characteristics of the unemployed presented in this issue were calculated from the CPS earnings microdata file for 1993 and selected previous years. Each month workers in about a quarter of the CPS households are asked additional questions on hours worked and earnings for the week including the 12th of the month. The microdata file consists of all records from the 12 monthly quarter-samples conducted in a year. This sample of records was expanded to represent the entire work force. Annual averages were computed by summing the estimates for each month and dividing by 12.

Rural employment and unemployment by region and division was calculated from BLS county-level files. BLS data are taken from unemployment insurance claims and State surveys of establishment payrolls which are benchmarked to State totals from the CPS. Thus, at the national and State levels, annual average BLS and CPS estimates are the same. The BLS data series provides monthly estimates of labor force, employment, and unemployment for individual counties.

## Definitions

Throughout *Rural Conditions and Trends*, we use "rural" and "nonmetro" interchangeably. The same holds for "urban" and "metro." However, in tables we use "nonmetro" and "metro," the original and more accurate terms used in the data sources.

**Adjusted unemployment rate:** The number of unemployed people, discouraged workers who have given up looking for work, and half of the workers who work part time but want full-time work as a percentage of the civilian labor force plus discouraged workers.

**Civilian labor force:** Noninstitutional civilians aged 16 or older who are either employed or unemployed. Individuals who are neither employed nor unemployed are out of the labor force.

**Consumer Price Index (CPI):** A measure of the average price level of a basket of consumer goods and services at the retail level for a specific period compared against a benchmark period.

**Family:** Two or more people residing together who are related by birth, marriage, or adoption.

**Foreign exchange rate:** The rate at which one currency is traded for another. The Federal Reserve publishes a measure of the overall foreign exchange rate of the U.S. dollar based on the rates of the 10 major U.S. trading partners.

**Gross domestic product (GDP):** The value of final output produced by people, government, and firms in the United States, whether they are U.S. or foreign citizens, or U.S.- or foreign-owned firms. Output of U.S. citizens or firms located outside the United States is not included. This statistic is reported quarterly but is revised in each of the 2 months following the initial release. Nominal GDP measures final goods and services at current prices. Real GDP measures final goods and services at 1987 prices to adjust for inflation.

**Household:** All the people living in a housing unit. A house, an apartment, or a single room is considered a housing unit, if it is occupied as separate living quarters. To be classified as separate living quarters, the occupants of the housing unit must not live and eat with any other people in the structure. In addition, there must be direct access to the unit from the outside or indirect access through a common hall.

**Income:** The sum of the amounts of money received from wages and salaries; nonfarm self-employment income; farm self-employment income; Social Security or railroad retirement; Supplemental Security Income; public assistance or welfare payments; dividends, interest, or net rental income; veterans payments; unemployment or workers' compensation; private or government employee pensions; alimony or child support; and other periodic payments.

**Inflation rate:** The percentage change in a measure of the average price level. Changes are reported on a monthly basis and are stated as annual rates for longer term comparisons. The two major measures of the average price level are the Consumer and Producer Price Indexes.

**Labor force participation rate:** The civilian labor force as a percentage of the civilian noninstitutional population 16 and older.

**Metro areas:** Metropolitan Statistical Areas (MSA's), as defined by the Office of Management and Budget, include core counties containing a city of 50,000 or more people and a total area population of at least 100,000. Additional contiguous counties are included in the MSA if they are economically and socially integrated with the core county. Throughout this publication, "urban" and "metro" have been used interchangeably to refer to people and places within MSA's.

**Nonmetro areas:** Counties outside metro area boundaries. Throughout this publication, "rural" and "nonmetro" are used interchangeably to refer to people and places outside of MSA's.

**Nonmetro county types:** The classifications of nonmetro counties by economic and social/demographic characteristics used in the Population article are defined as follows:

*Farming-dependent*—counties where farming accounted for a weighted annual average of 20 percent or more of total labor and proprietor income (TLPI) in 1981, 1982, 1984, 1985, and 1986.

*Manufacturing-dependent*—counties where manufacturing contributed 30 percent of more of TLPI in 1986.

*Mining-dependent*—counties where mining contributed 20 percent or more to TLPI in 1986.

*Retirement-destination*—counties where the net inmigration rates of people aged 60 and over were 15 percent or more of the expected 1980 population aged 60 and over for the period 1970-80.

*Persistent poverty*—counties ranking in the bottom quintile of all counties by per capita income in 1950, 1959, 1969, and 1979.

*Recreational*—counties with receipts by hotels, motels, recreational vehicle parks, and campgrounds of at least $100 per capita and ranking two-thirds of a standard deviation or more above the mean for all counties on at least two of the following characteristics: (1) percentage of county employment in entertainment, recreation, and other personal services, the largest component of which is hotels and motels; (2) percentage of county income derived from amusement, recreation, hotel, and other lodging businesses; and (3) percentage of county housing units that are vacant and being held for seasonal, recreational, or occasional use. Some counties that met these criteria were rejected because they proved to be nodes on the interstate highway system where cross-country travelers stay overnight, not recreation areas.

*Low population density*—counties with fewer than six persons per square mile in 1990.

For further information on the farming through poverty codes, see Thomas F. Hady and Peggy J. Ross, *An Update: The Diverse Social and Economic Structure of Nonmetro America*, AGES 9036, U.S. Department of Agriculture, Economic Research Service, June 1990.

**Poverty:** A person is in poverty if his or her family's money income is below the official poverty threshold appropriate for that size and type of family. Different thresholds exist for elderly and nonelderly unrelated individuals, for two-person families with and without elderly heads, and for different family sizes by number of children. For example, the poverty threshold for a family of four with two children was $14,228 in 1992. The thresholds are adjusted for inflation annually using the Consumer Price Index.

**Producer Price Index:** A measure of the average price received by producers of finished goods at the wholesale level during a specific period compared against a benchmark period.

**Region and division:** The four regions and nine divisions within the regions defined by the Bureau of the Census are used in this issue. The States in each region and division are as follows:

Northeast region

*New England*—Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont;
*Middle Atlantic*—New Jersey, New York, and Pennsylvania.

Midwest region

*East North Central*—Illinois, Indiana, Michigan, Ohio, and Wisconsin;
*West North Central*—Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, and South Dakota.

South region

*South Atlantic*—Delaware, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, and West Virginia;
*East South Central*—Alabama, Kentucky, Mississippi, and Tennessee;
*West South Central*—Arkansas, Louisiana, Oklahoma, and Texas.

West region

*Mountain*—Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, and Wyoming;
*Pacific*—Alaska, California, Hawaii, Oregon, and Washington.

**Unemployment rate:** The number of unemployed people 16 years and older as a percentage of the civilian labor force 16 years and older.

## Appendix table 1 – Nonmetro employment: Quarterly and annual averages

| Year/ quarter | Population 16+ | Labor force | Labor force participation | Employed | Employment/ population ratio | Unemployed | Unemployment rate | Adjusted unemployment rate[1] |
|---|---|---|---|---|---|---|---|---|
| | --------*Thousands*-------- | | *Percent* | *Thousands* | *Percent* | *Thousands* | ----------*Percent*---------- | |
| 1993: | | | | | | | | |
| 4th | 43,083 | 27,327 | 63.4 | 25,732 | 59.7 | 1,595 | 5.8 | 9.5 |
| 3rd | 43,045 | 27,620 | 64.2 | 25,959 | 60.3 | 1,661 | 6.0 | 9.8 |
| 2nd | 42,913 | 27,158 | 63.3 | 25,381 | 59.1 | 1,777 | 6.5 | 10.2 |
| 1st | 42,953 | 26,947 | 62.7 | 24,850 | 57.9 | 2,097 | 7.8 | 11.8 |
| 1992: | | | | | | | | |
| 4th | 42,737 | 27,181 | 63.6 | 25,460 | 59.6 | 1,772 | 6.3 | 10.1 |
| 3rd | 42,653 | 27,344 | 64.1 | 25,452 | 59.7 | 1,892 | 6.9 | 10.6 |
| 2nd | 42,322 | 26,939 | 63.7 | 25,047 | 59.2 | 1,893 | 7.0 | 10.7 |
| 1st | 42,114 | 26,232 | 62.3 | 24,052 | 57.1 | 2,179 | 8.3 | 12.4 |
| 1991: | | | | | | | | |
| 4th | 42,328 | 26,442 | 62.5 | 24,745 | 58.5 | 1,697 | 6.4 | 10.1 |
| 3rd | 41,904 | 26,364 | 62.9 | 24,683 | 58.9 | 1,681 | 6.4 | 10.3 |
| 2nd | 42,017 | 26,529 | 63.1 | 24,673 | 58.7 | 1,856 | 7.0 | 10.7 |
| 1st | 42,073 | 26,049 | 61.9 | 23,898 | 56.8 | 2,151 | 8.3 | 12.3 |
| 1990: | | | | | | | | |
| 4th | 42,106 | 26,361 | 62.6 | 24,776 | 58.8 | 1,585 | 6.0 | 9.7 |
| 3rd | 42,079 | 26,607 | 63.2 | 25,158 | 59.8 | 1,450 | 5.4 | 8.8 |
| 2nd | 41,774 | 26,417 | 63.2 | 24,934 | 59.7 | 1,483 | 5.6 | 8.9 |
| 1st | 41,660 | 25,893 | 62.2 | 24,196 | 58.1 | 1,697 | 6.6 | 10.0 |
| 1989: | | | | | | | | |
| 4th | 41,646 | 26,168 | 62.8 | 24,778 | 59.9 | 1,390 | 5.3 | 8.6 |
| 3rd | 41,755 | 26,783 | 64.1 | 25,323 | 60.6 | 1,459 | 5.4 | 8.7 |
| 2nd | 41,588 | 26,389 | 63.5 | 24,919 | 59.9 | 1,470 | 5.6 | 8.9 |
| 1st | 40,912 | 25,441 | 62.2 | 23,807 | 58.2 | 1,634 | 6.4 | 10.2 |
| 1988: | | | | | | | | |
| 4th | 40,629 | 25,510 | 62.8 | 24,024 | 59.2 | 1,469 | 5.8 | 9.4 |
| 3rd | 40,812 | 25,793 | 63.2 | 24,294 | 59.5 | 1,499 | 5.8 | 9.6 |
| 2nd | 40,877 | 25,513 | 62.4 | 23,978 | 58.7 | 1,535 | 6.0 | 9.8 |
| 1st | 40,522 | 24,819 | 61.2 | 22,996 | 56.7 | 1,823 | 7.3 | 11.6 |
| 1987: | | | | | | | | |
| 4th | 40,280 | 25,087 | 62.3 | 23,449 | 58.2 | 1,638 | 6.5 | 10.6 |
| 3rd | 40,214 | 25,277 | 62.9 | 23,634 | 58.8 | 1,643 | 6.5 | 10.5 |
| 2nd | 40,497 | 25,186 | 62.2 | 23,437 | 57.9 | 1,749 | 6.9 | 10.9 |
| 1st | 40,745 | 24,856 | 61.0 | 22,688 | 55.7 | 2,167 | 8.7 | 13.1 |
| 1993 | 42,999 | 27,263 | 63.4 | 25,480 | 59.3 | 1,782 | 6.5 | 10.3 |
| 1992 | 42,456 | 26,924 | 63.4 | 25,003 | 58.9 | 1,922 | 7.1 | 11.0 |
| 1991 | 42,080 | 26,346 | 62.6 | 24,500 | 58.2 | 1,846 | 7.0 | 10.8 |
| 1990 | 41,905 | 26,319 | 62.8 | 24,766 | 59.1 | 1,554 | 5.9 | 9.4 |
| 1989 | 41,482 | 26,209 | 63.2 | 24,718 | 59.6 | 1,491 | 5.7 | 9.1 |
| 1988 | 40,710 | 25,409 | 62.4 | 23,827 | 58.5 | 1,582 | 6.2 | 10.1 |
| 1987 | 40,434 | 25,101 | 62.1 | 23,302 | 57.6 | 1,799 | 7.2 | 11.3 |
| 1986 | 40,646 | 25,171 | 61.9 | 23,091 | 56.8 | 2,080 | 8.3 | 12.8 |
| 1985 | 40,493 | 24,781 | 61.2 | 22,700 | 56.1 | 2,081 | 8.4 | 13.0 |
| 1984 | 55,946 | 34,725 | 62.1 | 31,930 | 57.1 | 2,796 | 8.1 | 12.2 |
| 1983 | 55,294 | 34,156 | 61.8 | 30,696 | 55.5 | 3,460 | 10.1 | 14.9 |
| 1982 | 54,727 | 33,740 | 61.7 | 30,335 | 55.4 | 3,405 | 10.1 | 14.9 |
| 1981 | 53,449 | 33,092 | 61.9 | 30,488 | 57.0 | 2,603 | 7.9 | 11.5 |
| 1980 | 52,706 | 32,512 | 61.7 | 30,150 | 57.2 | 2,362 | 7.3 | 10.7 |
| 1979 | 51,563 | 31,716 | 61.5 | 29,916 | 58.0 | 1,800 | 5.7 | 8.5 |

Note: Beginning in 1985, estimation procedures for the Current Population Survey are based on the 1980 Census. That change accounts for the large drop in the nonmetro population and labor force between 1984 and 1985. Quarterly data shown in this table are not seasonally adjusted and, therefore, do not match seasonally adjusted numbers analyzed in the "Employment" and "Unemployment" articles.

[1] Unemployment rate adjusted to include discouraged workers and half of the workers employed part time for economic reasons.

Source: Current Population Survey.

## Appendix table 2 – Metro employment: Quarterly and annual averages

| Year/ quarter | Population 16+ | Labor force | Labor force participation | Employed | Employment/ population ratio | Unemployed | Unemployment rate | Adjusted unemployment rate[1] |
|---|---|---|---|---|---|---|---|---|
| | --------Thousands-------- | | Percent | Thousands | Percent | Thousands | ----------Percent---------- | |
| 1993: | | | | | | | | |
| 4th | 151,231 | 101,163 | 66.9 | 94,840 | 62.7 | 6,323 | 6.3 | 9.2 |
| 3rd | 150,754 | 101,598 | 67.4 | 94,726 | 62.8 | 6,873 | 6.8 | 10.0 |
| 2nd | 150,375 | 100,888 | 67.1 | 93,834 | 62.4 | 7,054 | 7.0 | 10.2 |
| 1st | 149,843 | 99,460 | 66.4 | 91,905 | 61.3 | 7,555 | 7.6 | 10.8 |
| 1992: | | | | | | | | |
| 4th | 149,582 | 99,763 | 66.7 | 92,726 | 62.0 | 7,037 | 7.1 | 10.1 |
| 3rd | 149,134 | 101,028 | 67.7 | 93,478 | 62.7 | 7,550 | 7.5 | 10.7 |
| 2nd | 148,989 | 100,255 | 67.3 | 92,745 | 62.2 | 7,510 | 7.5 | 10.5 |
| 1st | 148,774 | 99,186 | 66.7 | 91,432 | 61.5 | 7,754 | 7.8 | 11.1 |
| 1991: | | | | | | | | |
| 4th | 148,121 | 98,915 | 66.8 | 92,327 | 62.3 | 6,589 | 6.7 | 9.8 |
| 3rd | 148,074 | 99,912 | 67.5 | 93,299 | 63.0 | 6,613 | 6.6 | 9.7 |
| 2nd | 147,506 | 99,017 | 67.1 | 92,522 | 62.7 | 6,496 | 6.6 | 9.4 |
| 1st | 147,039 | 97,984 | 66.6 | 91,362 | 62.1 | 6,622 | 6.8 | 9.7 |
| 1990: | | | | | | | | |
| 4th | 146,589 | 98,463 | 67.2 | 92,956 | 63.4 | 5,507 | 5.6 | 8.2 |
| 3rd | 146,187 | 99,290 | 67.9 | 93,872 | 64.2 | 5,417 | 5.5 | 8.0 |
| 2nd | 146,051 | 98,504 | 67.4 | 93,480 | 64.0 | 5,024 | 5.1 | 7.4 |
| 1st | 145,751 | 97,615 | 67.0 | 92,238 | 63.3 | 5,332 | 5.5 | 7.8 |
| 1989: | | | | | | | | |
| 4th | 145,371 | 98,191 | 67.5 | 93,242 | 64.1 | 4,949 | 5.0 | 7.3 |
| 3rd | 144,848 | 98,373 | 67.9 | 93,366 | 64.5 | 5,007 | 5.1 | 7.5 |
| 2nd | 144,589 | 97,391 | 67.4 | 92,449 | 63.9 | 4,942 | 5.1 | 7.5 |
| 1st | 144,861 | 96,633 | 66.7 | 91,411 | 63.1 | 5,223 | 5.4 | 7.9 |
| 1988: | | | | | | | | |
| 4th | 144,625 | 96,886 | 67.0 | 92,139 | 63.7 | 4,748 | 4.9 | 7.4 |
| 3rd | 144,028 | 97,249 | 67.5 | 92,132 | 64.0 | 5,117 | 5.3 | 8.0 |
| 2nd | 143,512 | 95,843 | 66.8 | 90,801 | 63.3 | 5,042 | 5.3 | 7.8 |
| 1st | 143,445 | 95,061 | 66.3 | 89,492 | 62.4 | 5,569 | 5.9 | 8.6 |
| 1987: | | | | | | | | |
| 4th | 143,187 | 95,433 | 66.6 | 90,347 | 63.1 | 5,086 | 5.3 | 7.9 |
| 3rd | 142,802 | 95,924 | 67.2 | 90,434 | 63.3 | 5,490 | 5.7 | 8.6 |
| 2nd | 142,030 | 94,546 | 66.6 | 88,869 | 62.6 | 5,677 | 6.0 | 8.7 |
| 1st | 141,257 | 93,152 | 65.9 | 86,904 | 61.5 | 6,249 | 6.7 | 9.6 |
| 1993 | 150,551 | 100,777 | 66.9 | 93,826 | 62.3 | 6,951 | 6.9 | 10.0 |
| 1992 | 149,120 | 100,058 | 67.1 | 92,595 | 62.1 | 7,463 | 7.5 | 10.6 |
| 1991 | 147,685 | 98,957 | 67.0 | 92,377 | 62.6 | 6,580 | 6.6 | 9.6 |
| 1990 | 146,144 | 98,468 | 67.4 | 93,148 | 63.7 | 5,320 | 5.4 | 7.9 |
| 1989 | 144,911 | 97,660 | 67.4 | 92,624 | 63.9 | 5,036 | 5.2 | 7.5 |
| 1988 | 143,903 | 96,260 | 66.9 | 91,141 | 63.3 | 5,119 | 5.3 | 7.9 |
| 1987 | 142,319 | 94,764 | 66.6 | 89,138 | 62.6 | 5,625 | 5.9 | 8.7 |
| 1986 | 139,941 | 92,665 | 66.2 | 86,508 | 61.8 | 6,157 | 6.6 | 9.5 |
| 1985 | 137,713 | 90,684 | 65.9 | 84,453 | 61.3 | 6,231 | 6.9 | 9.9 |
| 1984 | 120,437 | 78,819 | 65.4 | 73,076 | 60.7 | 5,743 | 7.3 | 10.4 |
| 1983 | 118,922 | 77,394 | 65.1 | 70,137 | 59.0 | 7,257 | 9.4 | 13.1 |
| 1982 | 117,544 | 76,465 | 65.1 | 69,192 | 58.9 | 7,273 | 9.5 | 13.1 |
| 1981 | 112,987 | 73,301 | 64.9 | 67,825 | 60.0 | 5,476 | 7.5 | 10.3 |
| 1980 | 111,438 | 72,207 | 64.8 | 67,120 | 60.2 | 5,087 | 7.0 | 9.5 |
| 1979 | 109,969 | 71,192 | 64.7 | 67,029 | 61.0 | 4,163 | 5.8 | 8.0 |

Note: Beginning in 1985, estimation procedures for the Current Population Survey are based on the 1980 Census. That change accounts for the large drop in the nonmetro population and labor force between 1984 and 1985. Quarterly data shown in this table are not seasonally adjusted and, therefore, do not match seasonally adjusted numbers analyzed in the "Employment" and "Unemployment" articles.

[1] Unemployment rate adjusted to include discouraged workers and half of the workers employed part time for economic reasons.

Source: Current Population Survey.

## Appendix table 3 – Poverty by residence, region, race/ethnicity, and family type, 1992

| Item | Number of poor | | | Poverty rate | | |
|---|---|---|---|---|---|---|
| | | Metro | | | Metro | |
| | Nonmetro | Total | Central city | Nonmetro | Total | Central city |
| | Thousand | | | Percent | | |
| United States | 9,509 | 27,372 | 15,644 | 16.8 | 13.9 | 20.5 |
| By region: | | | | | | |
| Northeast | 739 | 5,488 | 3,455 | 11.9 | 12.3 | 21.9 |
| Midwest | 2,473 | 5,510 | 3,655 | 14.0 | 12.7 | 21.3 |
| South | 5,075 | 9,688 | 5,143 | 20.6 | 15.4 | 21.2 |
| West | 1,221 | 6,686 | 3,391 | 14.9 | 14.3 | 17.8 |
| By race/ethnicity: | | | | | | |
| White | 7,175 | 17,348 | 8,458 | 14.2 | 10.7 | 15.6 |
| Black | 1,977 | 8,636 | 6,348 | 40.8 | 31.9 | 35.2 |
| Hispanic[1] | 627 | 6,028 | 3,985 | 36.7 | 28.7 | 33.7 |
| By family type and race/ethnicity: | | | | | | |
| In families with children | 6,060 | 17,947 | 10,402 | 19.3 | 16.8 | 26.1 |
| White | 4,302 | 10,565 | 5,131 | 15.8 | 12.6 | 19.6 |
| Black | 1,518 | 6,466 | 4,709 | 47.1 | 37.5 | 41.9 |
| Hispanic[1] | 478 | 4,669 | 3,105 | 38.4 | 32.1 | 38.3 |
| In married-couple families with children | 3,328 | 6,919 | 3,422 | 13.1 | 8.5 | 12.9 |
| White | 2,755 | 5,264 | 2,405 | 11.9 | 7.6 | 12.0 |
| Black | 453 | 1,119 | 674 | 27.0 | 14.3 | 15.0 |
| Hispanic[1] | 334 | 2,532 | 1,541 | 32.7 | 23.9 | 28.0 |
| In female-householder families with children | 2,484 | 10,223 | 6,506 | 50.2 | 47.9 | 55.7 |
| White | 1,333 | 4,795 | 2,461 | 40.5 | 40.3 | 49.4 |
| Black | 1,054 | 5,100 | 3,852 | 72.0 | 58.5 | 61.2 |
| Hispanic[1] | 102 | 1,906 | 1,412 | 67.7 | 58.0 | 64.4 |

Note: Regions may not add to national total due to rounding.

[1] Hispanics may be of any race.

Source: March 1993 Current Population Survey.

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# Rural Conditions and Trends

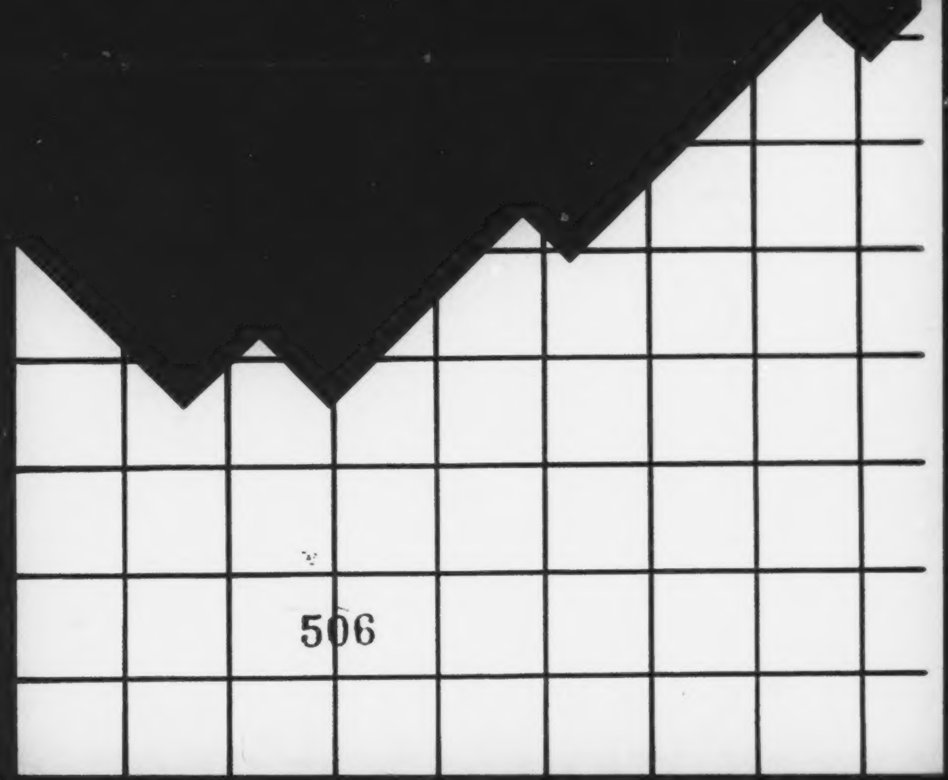
Economic Research Service • United States Department of Agriculture • Fall 1994 • Vol. 5, No. 2

Different estimates, but same trends

Rural employment and unemployment continue improving

Rural earnings start growing, but not as much as urban

Weather-related disasters lowered farm income in 1993



# Rural Conditions and Trends

Fall 1994, Vol. 5, No. 2

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# Revisions and Redesigns Affect Reporting of Rural Conditions, But Trends Remain the Same

*Redesign makes data on rural areas unavailable from the Current Population Survey. Revised data from the Bureau of Economic Analysis widen rural earnings gap. Regardless of the changes in estimates, rural conditions are improving as the national economy grows.*

The Employment and Unemployment sections in this issue of *Rural Conditions and Trends* are based on county-level estimates from the Bureau of Labor Statistics. In previous issues, the Current Population Survey had been the main source of data used in our discussions of rural employment change and unemployment rates. The CPS is undergoing redesign, both in the questions asked and the areas (primary sampling units) from which respondents are drawn. After the transition to the new questionnaire and areas is completed in June 1995, data for rural areas will again be available from the CPS.

Caution should be used in interpreting the unemployment rates reported in this issue. BLS county estimates have consistently shown slightly higher rural than urban unemployment in recent years. The CPS, which is probably more reliable, indicated that the urban unemployment rate surpassed the rural rate in 1992 and remained slightly higher than rural unemployment in 1993. This difference suggests that the BLS county-level estimates of rural unemployment rates reported in this issue may be a little too high and understate the extent of recent improvements.

The Earnings article is also based on revised data from the Bureau of Economic Analysis for 1981 through 1992. The revisions are based on new data BEA received from the Internal Revenue Service that showed proprietors' earnings to be slightly lower than previously estimated. Proprietors are a somewhat larger proportion of the rural labor force so the revised data decreased earnings slightly more in rural than in urban areas, widening the urban earnings advantage by a few tenths of a percentage point in each year. Despite these adjustments, rural earnings per job grew faster than inflation during 1992.

Although data for rural areas are being revised, the basic trends remain the same. The BLS unemployment rates for rural and urban areas are higher than the CPS rates, but the BLS rates are falling just as the CPS rates were. The ratio of rural to urban earnings is slightly lower with the revised data than earlier data had shown, but the widening of the urban advantage since 1979 is evident in both estimates.

Nationally, the economy is continuing to grow strongly in 1994. Industrial production and exports remain high while inflation and interest rates remain relatively low, although they are increasing. Given the roughly equal growth in employment and fall in unemployment rates in urban and rural areas since the recovery began in 1992, it is reasonable to expect that rural employment conditions are continuing to improve along with urban as the national economy grows.

Whether rural earnings have continued to grow faster than inflation since 1992 is more questionable. Not since 1975 and 1976 have rural real earnings experienced 2 consecutive years of growth. The effects of this latest recession and recovery, however, have been much more evenly distributed between urban and rural areas than the effects of the 1980-82 recessions and recovery were, creating more favorable conditions for rural earnings growth this time.

### New Farm Income Feature

Finally, a new feature, Farm Income, appears in this issue. This article focuses on the effects of severe weather-related disasters last year. Net income for commercial farms in the Midwestern flood and Southeastern drought areas fell by an average of 28 percent per farm in 1993. *[Linda M. Ghelfi, 202-219-0484]*

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# Growth Strong Into Second Half of 1994; Fed Keeps Acting to Curb Inflation

*Real gross domestic product grew at an annualized rate of 4.3 percent in the first half of 1994, following the 6.3-percent surge in the last quarter of 1993. Prospects for the last half of 1994 are for slower GDP growth with slightly increasing inflation. The 1995 picture is one of slightly higher inflation and moderate growth.*

Real gross domestic product (GDP) grew at an annualized rate of 4.3 percent in the first half of 1994—the strongest first half since the recovery began. Consumer spending growth slowed in the second quarter, but the economy continued to grow rapidly because of sharply increasing inventories—the fastest accumulation since 1990. Very strong growth in plant and equipment investment also helped second quarter GDP growth come in at 4.1 percent. Improvement in the trade balance seen at the end of 1993 did not continue. Export growth remained very strong in the first half of 1994. Nevertheless, the trade balance deteriorated as imports grew faster than exports.

### Industrial Production and Jobs Growth Strong

Industrial production in the first 8 months of 1994 grew at a robust annualized rate of 3.9 percent, but well below its over 7.0-percent annualized rate in the last quarter of 1993. Most analysts were surprised by the strength of this growth, especially the surge in August. The latest surge was dominated by a pick-up in auto production, as plants that were closed early in the summer reopened for the new model year. Office equipment production growth also aided the industrial production rise.

During the first 9 months of 1994, jobs grew by almost 260,000 per month, well above the 158,000-per-month average increase in the last half of 1993. Employment growth should be somewhat slower during the last quarter of 1994, but remain above the monthly average during the last half of 1993. The impressive employment gains of the first 9 months brought the unemployment rate down to 5.9 percent in September from 6.6 percent in January.

### Personal Income Continues Moderately Strong

Personal income during the first 7 months of 1994 grew at an annualized rate of 5.8 percent, below its 6.1-percent growth in the last half of 1993. Strong employment growth, including about 20,000 new manufacturing jobs per month, boosted wages and salaries, and drove personal income growth, aided by increases in dividend and interest income. Proprietors' income and rental income declined.

### Despite Fed Tightening, Long-term Interest Rates Remain Relatively Low

Responding to concerns about possibly accelerating inflation, the Federal Reserve Board (Fed) increased the Federal funds rate five times between February 4 and September 30. The Federal funds rate is the rate at which banks loan money to each other to meet bank reserve requirements. Since the February 4 rate increase, the 3-month Treasury bill rate has risen from roughly 3.2 percent to 4.9 percent, and the 30-year bond rate from 6.4 percent to 8.0 percent. The long-term interest rate rise reflects the Federal funds rate increases and financial market concerns that economic growth and inflation may accelerate significantly.

The prime rate has risen to 7.75 percent from 6.0 percent in early 1994. The continued strength in the economy despite tightening by the Fed has been particularly troubling to the bond market. The market is also concerned that real private credit demand from Europe will pick up sharply in response to stronger European growth in 1995. Nonetheless, most analysts still expect Treasury bond yields to stabilize slightly above 8.0 percent, remaining low relative to the 1980's.

### Inflation Rate Rising Slowly

According to the GDP price deflator, inflation rose 2.9 percent in the first half of 1994—above the 1.3-percent increase of the last quarter of 1993, but still relatively slow compared with recent history. This slow inflation causes some analysts to see the rise in long-term bond yields as excessive. The Fed actions in raising short-term rates reflected the inflationary potential of the robust increases in industrial production and capacity utilization throughout the first 8 months of 1994. The recent tightening by the Fed reflects a willingness to preempt a possible increase in inflation by slowing GDP growth closer to its long-term potential growth.

### Outlook for the Remainder of 1994: Moderate Growth, Low Inflation

Early indicators for the third quarter of 1994 are extremely favorable, making it clear that final demand for goods and services, GDP minus inventory growth, was above 3 percent. The strength in the quarter comes despite spectacular growth in the prior three quarters, which set high levels to increase from. The likely cutback in inventory growth could lower annualized GDP growth below 2.5 percent for the third quarter.

For 1994 as a whole, most private forecasters see low inflation and relatively low long-term interest rates, with real GDP growing over 3.6 percent. Consumer price inflation will be about 2.8 percent, the same as in 1993. Interest rates are expected to continue to rise slightly, with some boost from further Fed tightening toward the end of the year, as the economy still grows above potential. Bond yields and mortgage rates, after the fastest rise in over a decade, are expected to flatten late this fall.

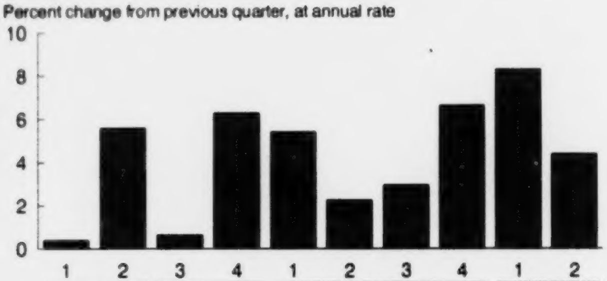
Even these higher interest rates will be relatively low, compared to those that persisted as late as 1990, so strength in 1994's growth is expected to continue to come from interest-sensitive sectors (except housing) such as business equipment, cars and light trucks, furniture, and major appliances. As employment continues to pick up, strong personal income growth will overcome higher interest rates to ensure increases in durable-good sales—especially personal vehicles—but at a slower growth rate than recently seen. Government spending will be mildly stimulative in the last half of the year as Federal spending goes up slightly for emergency relief such as California earthquake aid and State and local spending picks up as income and sales tax revenues rise.

### Outlook for Next Year

Analysts expect slower GDP growth in 1995, about 2.7 percent, as the Fed tightening takes hold and slows growth in other sectors in addition to housing. Slightly higher inflation should bring only modest increases in long-term interest rates for 1995. Depending on how strong export growth and equipment investment are, the Fed could again tighten in the early part of next year, raising short-term interest rates. Jobs will grow but not as fast as in 1994, slowing consumer spending growth. Export growth, triggered by a European recovery and the weak dollar, will be robust for 1995. *[D. A. Torgerson, 202-501-8329. Data as of October 5, 1994.]*

**Quarterly change in real industrial production**

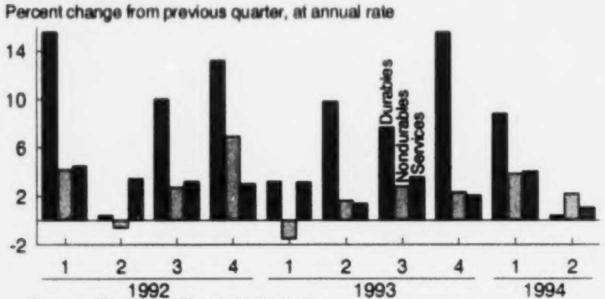
*Industrial production continues to grow strongly...*



Source: Data from the Federal Reserve Board, annualized by ERS.

**Quarterly change in real personal consumption expenditures**

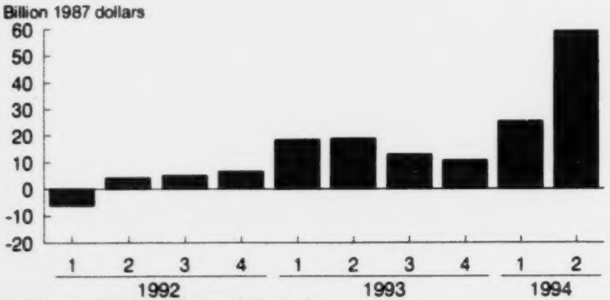
*...even though growth in personal consumption expenditures, especially durables, has slumped...*



Source: Bureau of Economic Analysis.

**Quarterly change in real business inventory**

*...resulting in accumulation of business inventories*



Source: Bureau of Economic Analysis.

# Rural Employment Increases in the First Half of 1994

*Rural employment rose during the first half of 1994. Almost all rural areas, except those in Missouri and several Eastern States, showed increases.*

Preliminary employment estimates from aggregated Bureau of Labor Statistics (BLS) county-level data show rural employment picking up in the first half of 1994, reflecting the overall national trend. These estimates must be viewed with caution. With the redesign of the Current Population Survey (CPS) and other methodological changes, 1994 employment estimates are not fully comparable with data from previous years. BLS employment estimates are benchmarked to the CPS estimates for States.

Rural employment rose modestly in the first half of 1994, according to preliminary data from the BLS. Seasonally unadjusted estimates show rural employment increasing 2.8 percent between the first halves of 1993 and 1994. Urban employment growth was similar to rural—2.4 percent. Earlier CPS and BLS estimates also measured slightly faster growth in rural than urban employment during the first 2 years following the 1990-91 recession.

### Employment Increased in Most Rural Areas

Job gains occurred in most rural areas. The highest growth was in the rural West where employment grew by 5.9 percent between the first halves of 1993 and 1994. Utah, Idaho, Arizona, and Colorado showed the largest increases in rural employment, although gains in all of the Western States were above the rural average.

Rural employment in the Northeast and in parts of the Midwest changed little. In the rural Northeast, employment remained virtually unchanged (an increase of 0.2 percent between the first halves of 1993 and 1994) with employment growth in rural New Hampshire, Massachusetts, and Connecticut countered by employment declines in rural Vermont, New York, Rhode Island, Maine, and Pennsylvania. While the Midwest as a whole showed an increase in rural employment of 2.7 percent, employment declined in rural Missouri and increased slowly in Iowa and Kansas. Employment in rural areas in those States may be slow in recovering from the heavy rains and flooding of 1993 that at least temporarily closed many businesses.

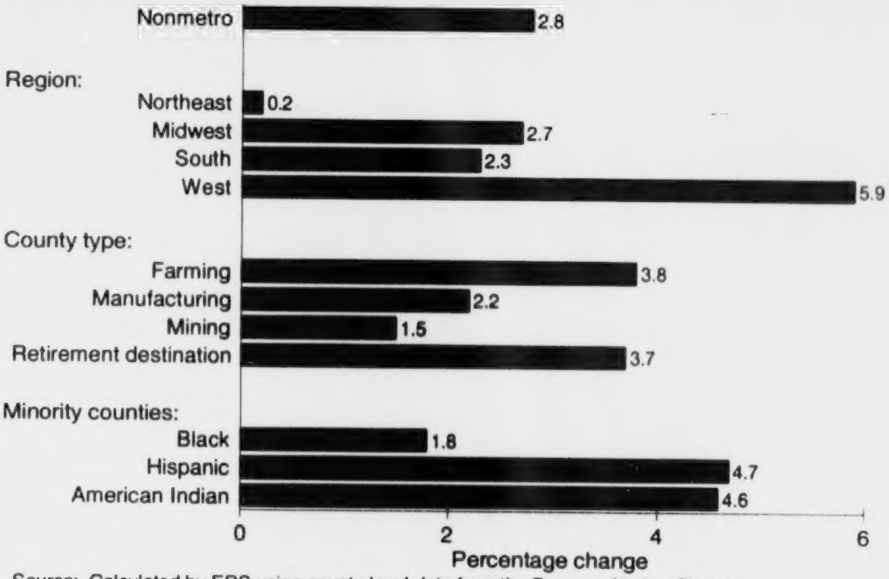
### Employment Increase Strongest in Farming-Dependent Counties

Farming-dependent counties showed an increase of 3.8 percent between the first halves of 1993 and 1994, much above their 1.9-percent increase between the first halves of 1992 and 1993. Manufacturing-dependent counties grew by 2.3 percent, followed by mining counties at 1.6 percent, between the first halves of 1993 and 1994.

Rural counties with high proportions of Hispanics and Native Americans experienced high levels of employment growth in the first half of 1994. Employment increased by 4.7 percent in rural Hispanic counties and by 4.6 percent in Native American counties between the first halves of 1993 and 1994. The high level of employment growth in these counties may reflect their heavy concentration in Western States. Employment is increasing in counties in the West regardless of their racial or ethnic composition. *[Timothy S. Parker, 202-219-0541]*

**Nonmetro employment change, first half 1993-94**

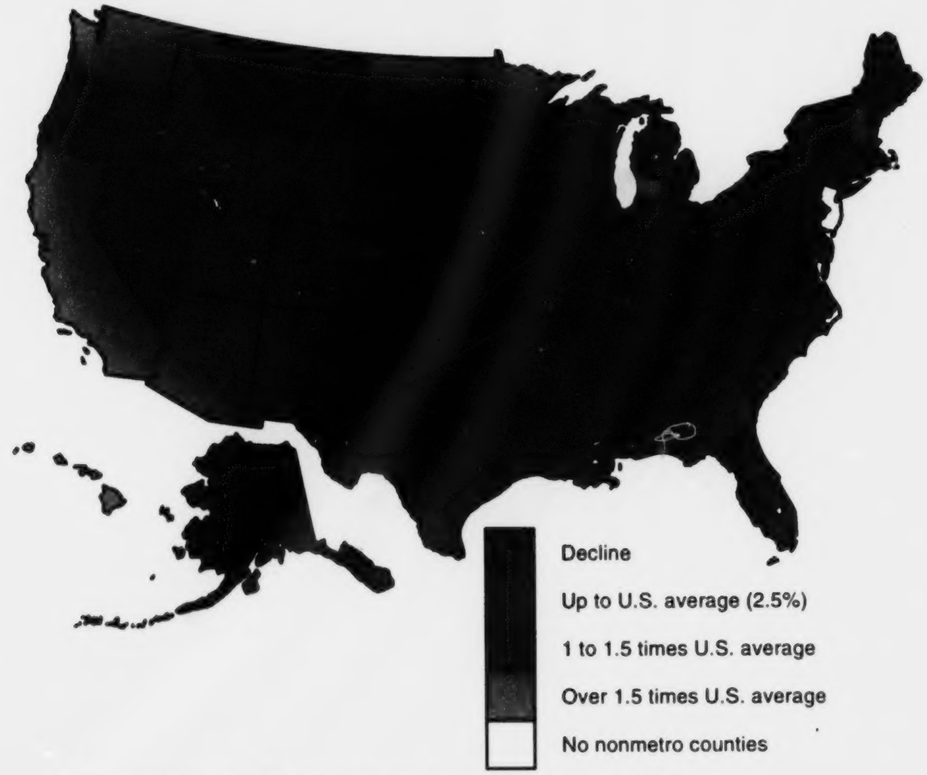
*Growth was highest in the West and in Hispanic and Native American counties whicn are concentrated in the West*



Source: Calculated by ERS using county-level data from the Bureau of Labor Statistics.

**Nonmetro employment change between first halves of 1993 and 1994**

*Nonmetro employment declined in several Northeastern States, Missouri, and Virginia*


Decline
Up to U.S. average (2.5%)
1 to 1.5 times U.S. average
Over 1.5 times U.S. average
No nonmetro counties

Source: Calculated by ERS using data from the Bureau of Labor Statistics.

# Rural Unemployment Varies Across Localities, But Continues to Fall

*The national unemployment rate fell from a seasonally adjusted 6.6 percent in January 1994 to 5.9 percent in September, and indirect evidence suggests that rural and urban workers benefited about equally. In the first half of 1994, rural unemployment was highest in the Pacific States and in rural counties with large minority populations or a specialization in mining.*

The continuing national economic recovery was reflected in strong employment growth and declining unemployment during the first 9 months of 1994. According to data from the Current Population Survey (CPS), the seasonally adjusted national unemployment rate fell from 6.6 to 5.9 percent between January and September 1994. Due to a major redesign of the CPS implemented in January 1994, unemployment rates for 1994 are not fully comparable with those for previous years. The redesigned CPS does a better job of identifying the unemployed and probably results in unemployment rates a little higher than would the old version of the survey. A second effect of the redesign is that it temporarily is not possible to estimate separate rural and urban unemployment rates directly from the CPS.

Indirect evidence suggests that rural and urban workers shared about equally in improved employment opportunities during the first half of 1994. ERS has estimated rural and urban unemployment rates for the first and second quarters of 1994 by aggregating and seasonally adjusting preliminary, county-level unemployment data from the Bureau of Labor Statistics (BLS). The resulting estimates indicate that unemployment fell by the same 0.4 percentage point between the first and second quarters for rural and urban workers. The economic recovery appears to have continued to reach rural and urban workers about equally, as was the case during 1992-93, when both rural and urban unemployment fell by 0.6 percentage point (and rural and urban unemployment estimates could be constructed directly from the CPS).

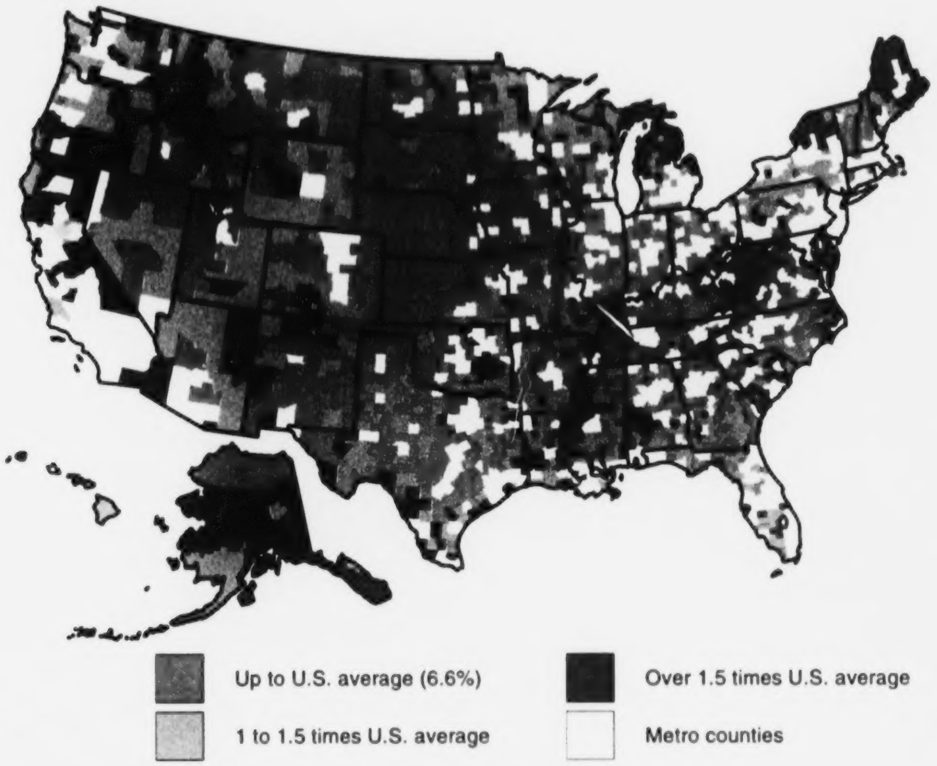
The rural and urban unemployment rates probably continue to be very similar. The seasonally adjusted rural unemployment rate calculated from the BLS data for the second quarter of 1994 is a little higher than the urban unemployment rate (6.6 versus 6.0 percent), but that was also true in 1993 when direct estimates from the CPS—which generally are more reliable—suggested that rural unemployment was actually a little lower than urban. If the indirect methodology used with the BLS data continued to overstate slightly rural unemployment relative to urban, it follows that rural and urban unemployment remained approximately equal during the first half of 1994.

### Local Conditions Vary

Although the national economic recovery has been felt in all regions, unemployment rates differ significantly across rural areas. The BLS county unemployment estimates for the first half of 1994 document this variation and the strong association between the severity of unemployment in rural counties and their economic specialization and demographic composition. Note that these more localized rural unemployment rates cannot be seasonally adjusted and tend to be higher than would seasonally adjusted rates, because winter weather typically results in a seasonal rise in unemployment during the first half of the year. This seasonal effect largely cancels out when unemployment rates are compared across rural areas, but it means that unadjusted unemployment rates are not fully comparable with the seasonally adjusted unemployment rates frequently reported at the national level. For example, the unadjusted 7.3-percent overall rural unemployment rate for the first half of 1994 was higher than the corresponding seasonally adjusted rate of 6.8 percent. As mentioned above, the CPS redesign, which indirectly affects the BLS county estimates, also tended to increased 1994 unemployment rates relative to those for previous years.

**Nonmetro unemployment rates, first half of 1994**

*Local conditions vary widely*


Up to U.S. average (6.6%)
Over 1.5 times U.S. average
1 to 1.5 times U.S. average
Metro counties

Source: Calculated by ERS using data from the Bureau of Labor Statistics, not seasonally adjusted.

## Rural Unemployment Highest in the Pacific, Lowest in the West North Central States

According to BLS county data for the first half of 1994, the Pacific States (Alaska, California, Hawaii, Oregon, and Washington) had the highest rural unemployment rate among the nine Census divisions. The rural unemployment rate for the Pacific States was 10.7 percent during the first half of 1994, substantially above the U.S. rural rate of 7.3 percent. Although all of the Pacific States had above-average rural unemployment, California stood out with a very high rate of 13.6 percent. The West North Central States (Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, and South Dakota) had the lowest unemployment rate at 5.2 percent, approximately half as high as the unemployment rate in the Pacific States. Unemployment rates were particularly low in Nebraska and South Dakota (3.1 and 3.3 percent), but a little above the national average in Minnesota (9 percent).

The States with the lowest rural unemployment rates sometimes differ from the States with the most rapid employment growth, as comparison with the Employment article (pp. 6-7) of this issue confirms. The Pacific States, for example, had above-average rural employment growth and above-average unemployment rates in the first half of 1994. The explanation for this apparent paradox is that rural unemployment rates in the Pacific States started from a higher level, because the 1990-91 recession was particularly severe in these States. While still high in the first half of 1994, rural unemployment in the Pacific States had fallen more rapidly since the same period in 1993 than rural unemployment in other Census divisions, reflecting the above-average job growth in these States. More generally, employment growth and unemployment rates—although related—measure distinct aspects of the availability of jobs in an area and both are useful for assessing labor market conditions.

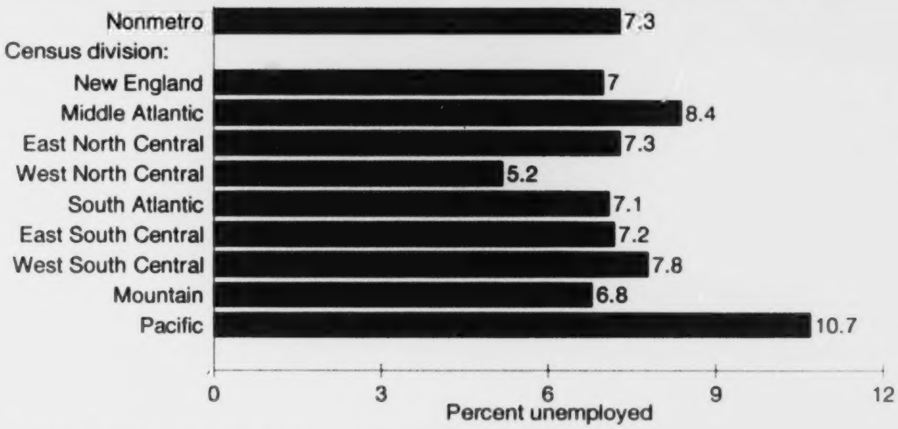
## Rural Unemployment High in Minority and Mining Counties

Rural counties with concentrations of racial and ethnic minorities had above-average unemployment in the first half of 1994, according to BLS county data. Unemployment stood at 10.9 percent in counties with large Hispanic populations. Counties with concentrations of Native Americans and Blacks fared somewhat better, with unemployment rates of 9 and 8.2 percent, respectively. A closely related pattern is above-average unemployment in counties with below-average levels of education. Elevated unemployment in minority-concentrated and low-education rural counties is a long-standing problem.

When rural counties are classified by economic specialization, it becomes clear that a few industrial sectors are lagging despite the breadth of the national economic recovery. Unemployment in mining-dependent counties stood at 9.3 percent in the first half of 1994. Depressed conditions in mining are probably an important contributor to the 11.4-percent rate of rural unemployment in West Virginia. Only California had a higher rural unemployment rate. *[Paul Swaim, 202-219-0552]*

### Nonmetro unemployment by Census division, first half 1994

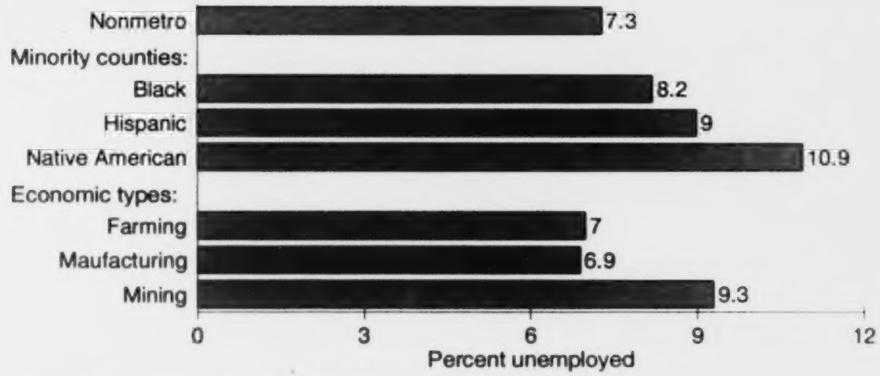
*Pacific States had the highest unemployment, West North Central States the lowest*



Note: These unemployment rates are not seasonally adjusted.
Source: Calculated by ERS using county-level data from the Bureau of Labor Statistics.

### Nonmetro unemployment by county type, first half 1994

*Unemployment was highest in minority and mining counties*



Note: These unemployment rates are not seasonally adjusted.
Source: Calculated by ERS using county-level data from the Bureau of Labor Statistics.

# Rural Job Growth Sustained by Service-Producing Industries During 1992

*Rural nonfarm job growth continued to outpace urban growth in 1992. However, growth in manufacturing remained sluggish. Most manufacturing jobs lost during the 1989-91 recession had not been restored by the end of 1992, the first year of recovery.*

The BLS data presented in the Employment and Unemployment articles are very current, but do not provide detail on the industries responsible for employment growth and unemployment declines. Recently released county-level data from the Bureau of Economic Analysis show the industrial sources of job growth, but with a 2-year lag. This lag prevents discussion of the current situation in rural areas, but the BEA data for 1992 are useful in comparing rural job growth during the first year of this recovery with rural growth immediately following the two previous recessionary periods.

In the Summer 1993 issue of *Rural Conditions and Trends*, we reported that rural job growth, sustained primarily by services and retailing, continued to expand during the 1990-91 recession, outpacing urban growth. However, jobs in manufacturing and other goods-producing industries declined markedly. The new BEA data show that not all the lost jobs were restored by the end of 1992, the first year of recovery.

Growth in rural nonfarm jobs, however, continued to outpace urban growth in 1992. As shown in appendix table 4, rural areas buffered by an annual growth of 2.8 percent in service-producing industries increased employment by about 450,000 jobs (2.0 percent). Services and retailing accounted for a net increase of about 320,000 new jobs. Modest gains also occurred in manufacturing, 34,000 jobs (0.8 percent), and construction, 10,800 jobs (0.9 percent).

Urban nonfarm employment, on the other hand, recovered slowly from the recession, growing only 0.7 percent in 1992 (about 775,000 jobs). Urban service-producing industries expanded by 1.6 percent (1.2 million jobs). However, urban goods-producing industries continued to decline 2.5 percent (about 550,000 jobs), with manufacturing declining 2.5 percent (about 377,000 jobs).

### Some Rural Regions Also Losing Goods-Producing Jobs

Rural areas in all regions gained jobs during the first year of recovery, outpacing urban growth except in the Southwest. Rural employment grew slower than average in New England, the Mideast, the Southwest, and the Far West. Rural service-producing industries added jobs in these slower growing regions, but goods-producing employment continued to decline. In the faster growing regions, rural nonfarm employment increased 3.7 percent in the Rocky Mountain region, 2 percent in the Great Lakes region, and 2.2 percent in the Plains and Southeast regions. Rural service-producing industries added jobs at faster rates in these regions than in the slower growing regions. And rural goods-producing industries added jobs in these regions, more than compensating for the losses in the slower growing regions. The Great Lakes region was the only region where rural goods-producing industries gained jobs at a faster rate than service-producing industries. See appendix table 3 for regional data.

### Cyclical Employment Patterns, 1973-92

Rural jobs recovered from the 1990-91 recession faster than from the 1979-82 recessions, but fell short of the jobs created during the first year of recovery from the 1973-75 recession. In the first year of recovery from the 1990-91 recession, nonfarm employment expanded 2.0 percent, compared with 0.6 percent during 1982-83, and 4.1 percent during 1975-76, the first years of recovery after the two previous recessions. See appendix table 4.

Rural service-producing industries have played an increasingly important role in stabilizing employment during recessions and bolstering job gains during periods of recovery. During the last three recessionary periods (1973-75, 1979-82, and 1990-91), service-producing industries continued to create jobs while goods-producing industries lost jobs. Service-producing industries also created jobs at a faster pace than goods-producing industries coming out of the 1979-82 and 1990-91 recessions. These service-led recoveries from recession contrast with the earlier recovery (1975-76) when manufacturing and other goods-producing industries led the way.

Three business sectors accounted for the bulk of hiring in rural areas over the last three recession, recovery, and growth cycles, 1973-79, 1979-89, 1989-92: retailing, services (primarily consumer and health services), and manufacturing. However, growth rates of manufacturing and other goods-producing industries have slowed markedly since the back-to-back recessions of 1979-82. During the 1980's, jobs in goods-producing industries were cut and hiring curtailed as competition intensified primarily from imports and deregulation (in trucking, airlines, and communications). Corporate takeovers mushroomed. Firms concentrated on cost-cutting, as opposed to sales growth to boost profits. Manufacturers improved productivity and became more competitive.

### Rural Manufacturers Are Downsizing

Although manufacturing is still a major employer in rural areas, employment in the sector has steadily declined over the last three recession, recovery, and growth cycles. In the 1973-79 cycle, manufacturing firms created about 296,000 jobs in rural areas and 787,000 jobs in urban areas. But, during the 1979-89 cycle, rural areas gained only 17,000 jobs. Urban areas lost almost 1.5 million manufacturing jobs. And, during the most recent cycle, 1989-92, there was a net decrease of more than 75,000 manufacturing jobs in rural areas and 1.3 million jobs in urban areas. We have only information on rural jobs for the first year of recovery and more manufacturing jobs may have been restored since 1992. However, the long-term trend in manufacturing employment suggests that even by 1994, rural areas may not recoup all of the jobs lost during the recession. Jobs that would normally be restored during recovery years are being eliminated as manufacturing firms restructure and introduce new labor-saving technologies. *[James P. Miller, 202-510-7982]*

### Nonfarm jobs by industry

*All nonmetro industries, except mining, added jobs in 1992*

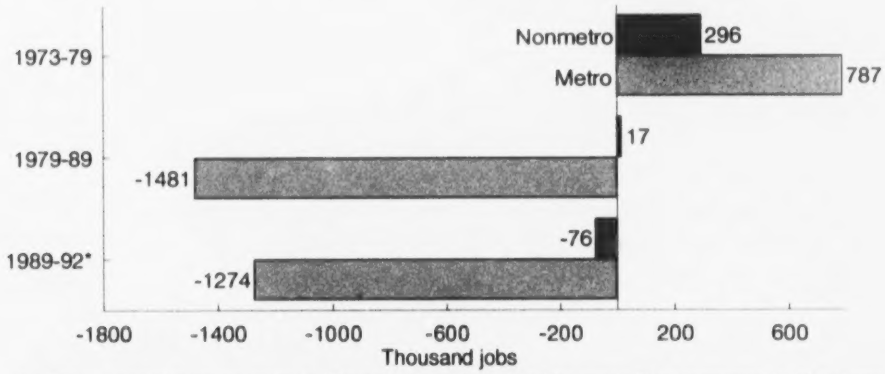
| Sector | 1992 |  | Change 1991-92: |  |
|---|---|---|---|---|
|  | Nonmetro | Metro | Nonmetro | Metro |
|  | Thousands |  | Percent |  |
| Total nonfarm | 23,183 | 113,072 | 2.0 | 0.7 |
| Goods-producing | 6,220 | 21,517 | .4 | -2.5 |
| AFFS[1] | 413 | 1,080 | 1.7 | .8 |
| Mining | 393 | 558 | -6.2 | -6.5 |
| Construction | 1,232 | 5,381 | .9 | -2.6 |
| Manufacturing | 4,182 | 14,498 | .8 | -2.5 |
| Service-producing | 12,713 | 74,356 | 2.8 | 1.6 |
| TCPU[2] | 1,044 | 5,543 | .8 | -.1 |
| Wholesale | 824 | 5,832 | 1.7 | .2 |
| Retail | 4,191 | 18,824 | 2.2 | .7 |
| FIRE[3] | 1,120 | 9,456 | .2 | -.6 |
| Services[4] | 5,534 | 34,701 | 4.3 | 3.3 |
| Government | 4,250 | 17,201 | 1.9 | .9 |

[1] Includes agricultural services, forestry, and fishing. [2] Includes transportation, communication, and public utilities. [3] Includes finance, insurance, and real estate. [4] Includes health, legal, educational, recreational, business, repair, and personal services.

Source: Calculated by ERS using data from the Bureau of Economic Analysis.

### Change in manufacturing jobs over the three most recent recession-recovery-growth cycles

***Manufacturing jobs have been disappearing from metro areas since 1979; nonmetro areas gained only 17,000 manufacturing jobs during the1979-89 cycle and have nearly 76,000 jobs still to regain after the first year of recovery in the current cycle***



*** = Only 1 year of recovery so far in this cycle; manufacturing jobs may still be recovered in later years.**
**Source: Calculated by ERS using data from the Bureau of Economic Analysis.**

# Rural Nonfarm Earnings Edged Upward in 1992

*Rural earnings per nonfarm job increased in all regions and industries, except agricultural services, forestry, and fishing, during 1992. Although rural earnings growth was slower than urban growth, the beginning of this recovery looked promising for rural earnings after many years of not keeping up with inflation.*

Real earnings per nonfarm job increased 1.4 percent to $20,389 in rural areas and 2.2 percent to $28,059 in urban areas in 1992, the first year of recovery after the 1990-91 recession. This is the first year of increasing inflation-adjusted earnings in rural areas since 1984. While urban earnings have generally declined only during recession years, rural earnings have been in long-term decline since 1979, with the exception of 1984. [These earnings estimates are based on revised data from the Bureau of Economic Analysis for 1981 and later years and exclude the farm sector. Therefore, they do not match earnings per job analyzed in the Summer 1993 and previous Fall issues of *Rural Conditions and Trends.*]

Comparing earnings changes during 1992 with changes during 1983 and 1976 shows how rural jobs fared in the first year of recovery after the three most recent recessionary periods (see appendix table 5, page 27). The 1.4-percent increase in rural nonfarm earnings during 1992 contrasts sharply with the 0.1-percent decline in rural earnings during 1983. As often documented in *Rural Conditions and Trends*, rural areas were hard hit by and slow to emerge from the back-to-back recessions of 1980 and 1981-82. The 3.9-percent increase in rural nonfarm earnings during 1976 shows that 1976 was a much stronger first recovery year for earnings than either 1983 or 1992.

### Rural Earnings Gap Widened

Urban earnings grew faster than rural during 1992, so the urban advantage in earnings per nonfarm job widened. Overall, rural earnings per nonfarm job fell from 74.6 to 72.7 percent of urban earnings between 1991 and 1992. By industry, rural earnings in agricultural services, forestry, and fishing (ASFF) and construction narrowed their gaps slightly, with rural ASFF earnings falling less than urban and rural construction earnings growing more than urban. The largest increase in the earnings gap was in mining, where average rural earnings fell from 96.6 to 92 percent of urban earnings, a change of 4.6 percentage points. Earnings per job in the finance, insurance, and real estate sector (FIRE) increased much faster in urban areas, so that rural FIRE earnings fell to 51.6 percent of the urban equivalent, a decrease of 3.1 percentage points. Retail trade averages the lowest rural earnings of any sector, but it is also the lowest paying urban sector, so the lowest ratio to urban earnings remains in FIRE.

As shown in the Earnings article of the Summer 1993 issue of *Rural Conditions and Trends* (Vol. 4, No. 2, pp. 12-13), larger shares of rural than urban workers in FIRE are employed in banks and savings and loans (than in brokerage houses, insurance, and real estate), in administrative support and clerical occupations, and in part-time or part-year employment. The restructuring of financial institutions probably reinforces these employment patterns, making it unlikely that the gap between rural and urban earnings in the sector will soon narrow.

### Earnings Grew Faster Than Inflation in All Regions

Real earnings per nonfarm job grew in rural parts of all U.S. regions during 1992. The rural Southeast experienced the largest increase, 1.8 percent. The rural Far West was among the lowest earnings growth regions at least in part because California's economy has been slow to turn up. This first recovery year was much better for most rural regions' earnings than 1983 and as good as or better than 1984 when more rural areas were finally recovering from the 1980-82 recessions (see appendix table 6, page 28).

### Mining Counties Lagged Other Rural Counties' Earnings Growth

The proportions of various types of rural counties that had growth in nonfarm earnings per job at least as fast as the overall rural average (1.4 percent) also show that the first year of this recovery reached a wide range of county types. By level of urbanization, 77.5 percent of urbanized nonmetro counties adjacent to metro areas met or exceeded the average nonmetro growth rate. The proportion of counties doing well declined as level of urbanization declined, but even 59.3 percent of the most rural counties did as well as or better than average. [Note: Such larger proportions of counties at each level of urbanization (and in most of the county types discussed next) can meet or exceed average nonmetro growth in earnings per job because many of the counties that did not meet the average actually experienced declines in earnings per job which pulled the average nonmetro growth rate down.]

By county type, over 72 percent of retirement-destination, persistent low-income, and manufacturing-dependent counties had earnings growth at or above the rural average. Although many manufacturing jobs lost during the recession have yet to be regained, earnings growth in manufacturing-dependent counties is widespread. Many manufacturers increased hours rather than hiring workers during this recovery which would show up in higher average earnings.

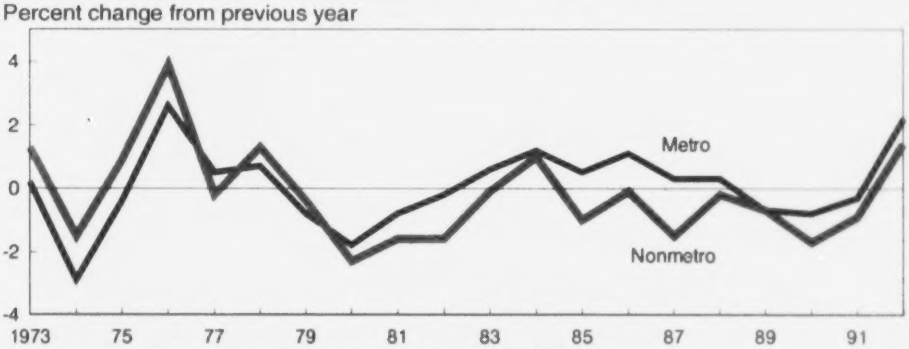
Mining-dependent counties had the lowest share of counties performing at least as well as the rural average. Only 41.6 percent of mining-dependent counties experienced growth in real nonfarm earnings of at least 1.4 percent. Although earnings per job in the mining industry in rural areas increased faster than the overall rural average, the number of mining jobs declined. Low world oil prices, which depress demand for oil, coal, and natural gas from many relatively expensive domestic sources, may be responsible for the job losses and lagging earnings growth in many mining-dependent counties.

### Has Rural Earnings Growth Continued?

Whether or not rural earnings growth continued to beat inflation in 1993 and 1994 will not be known until the Bureau of Economic Analysis releases county-level data for those years in 1995 and 1996. This 2-year lag makes it difficult to judge what is currently happening to rural earnings. Rural areas experienced only the 1 year, 1984, of real earnings growth during the recovery and growth cycle between the 1980-82 and 1990-91 recessions. Whether 1992 will be the only year of real earnings growth for rural areas during this recovery period remains to be seen. Low interest rates, strong industrial production, and high exports during the early 1990's, however, may have created more favorable conditions for earnings growth than rural areas experienced during the 1980's. *[Linda M. Ghelfi, 202-219-0484]*

**Annual change in real earnings per job**

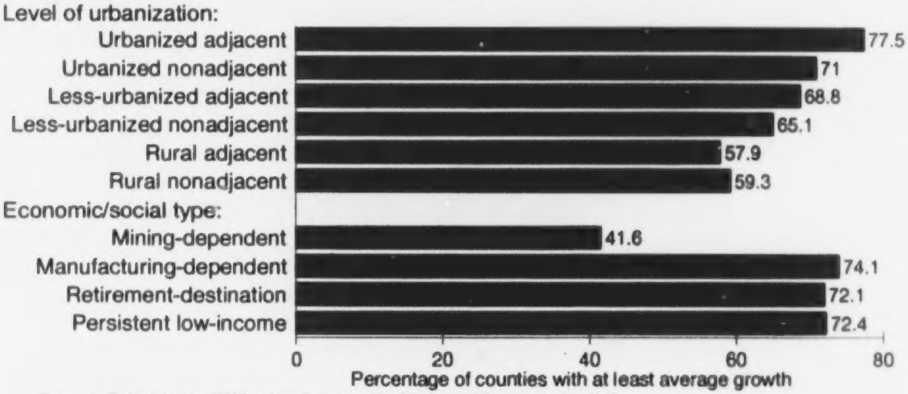
*During the 1970's, nonmetro earnings grew faster or declined less than metro earnings, except in 1977; since the 1980 and 1981-82 recessions, nonmetro earnings have seldom kept pace with inflation or metro earnings growth*



Source: Calculated by ERS using data from the Bureau of Economic Analysis.

**Share of nonmetro counties with real earnings per job growing at least as fast as the nonmetro average**

*Real nonfarm earnings growth in 1992 was widespread with well over half of counties in each type, except mining, growing by at least 1.4 percent*



Source: Calculated by ERS using data from the Bureau of Economic Analysis.

# Disasters Lowered Farm Income in 1993

*Net farm income declined in 1993, due in part to bad weather. The declines were concentrated in major disaster areas. The weather has been much more favorable in 1994.*

During 1993, widespread natural disasters struck farms in many parts of the country, reducing their production and lowering their sales. Preliminary data from the recently completed 1993 Farm Costs and Returns Survey (FCRS) allow us to gauge the effects of last year's adverse weather on farms.

This article focuses on 739 Midwestern counties and 497 Southeastern counties designated as disaster counties. Heavy rains and flooding were the main weather problems in the Midwest, although winterkill, cool weather, hail, high winds, and tornadoes put some counties in the disaster category. In the Southeast, drought hit several States, but severe coastal or winter storms affected some counties. Eligible farmers in disaster counties can apply for emergency loans to help cover part of their losses.

We did not include all counties declared disaster areas. The analysis focuses on the Midwestern flood and Southeastern drought areas. Other areas also had bad weather. For example, drought also hit extensive areas of Texas, Arkansas, Ohio, and Pennsylvania in 1993. We focused on the Midwestern and Southeastern areas because they were fairly large areas made up of all or most of several contiguous States for which the FCRS can provide reliable estimates.

### Disasters Affect Local Farm and Nonfarm Economies

In 1993, disasters hit many local economies that rely heavily on farming. Almost half of all U.S. farming-dependent counties were also Midwestern disaster counties. The adverse weather also hurt nonfarm businesses. For example, floods closed some down. And adverse weather affected nonfarm businesses that processed agricultural products or supplied inputs to farms.

The disaster counties normally are important to U.S. agriculture. In 1992, the year before the bad weather, 860,000 farms, 41 percent of all U.S. farms, were in the disaster counties we examined, mostly in the Midwestern flood area. An even larger share of commercial farms, 52 percent, were in the disaster areas. And by commodity specialization, disaster counties held 61 percent of U.S. farms specializing in cash grain. Losses on cash grain farms not only decrease income for those harvesting grain, but also increase costs for farmers feeding livestock.

About 42 percent of the value of agricultural production occurred in these disaster counties in 1992. This share fell to 35 percent in 1993. The disaster counties' share of the value of crop production fell from 39 to 28 percent, and their share of the value of livestock production fell from 45 to 41 percent. In dollar terms, the value of crop production in disaster counties fell by $5.2 billion in 1993. Although the value of livestock production increased by $2.8 billion in 1993 in the disaster counties, their share of U.S. livestock production fell because livestock production grew faster in other areas.

Because of the heavy concentration of farms in disaster counties, the bad weather reduced U.S. farm income levels. Average net farm income declined by 13 percent for the United States. In the disaster counties, farm income declined 24 percent, compared with only 5 percent in other counties. The difference between disaster areas and other areas was even more dramatic for commercial farms.

### Commercial Farms Hurt Financially by Disasters

The same trends occurred for commercial farms in both the Midwestern and Southeastern disaster areas: declining net farm income, increasing income from government payments, deteriorating financial position, and increasing debt/asset ratio. For commercial farms in the disaster areas, average net farm income fell by about $10,000 between 1992 and 1993. Government payments, which include disaster payments, nearly doubled in 1993. Much of this increase was from deficiency payments rather than disaster payments, however. Many disaster payments based on 1993 bad weather were not paid by the end of the year. Fewer commercial farms in the disaster areas were in the favorable financial category in 1993 than in 1992, 61 percent compared with 71 percent. And, the share of commercial farms with a low debt/asset ratio declined by about 12 percentage points.

In contrast, commercial farms in other counties had more stable incomes. Government payments increased in the other counties, but not as much as in disaster counties. Similarly, financial position and the debt/asset ratio deteriorated in the other counties, but not to the same extent as in the disaster areas.

### Farms and production in selected disaster counties, 1992

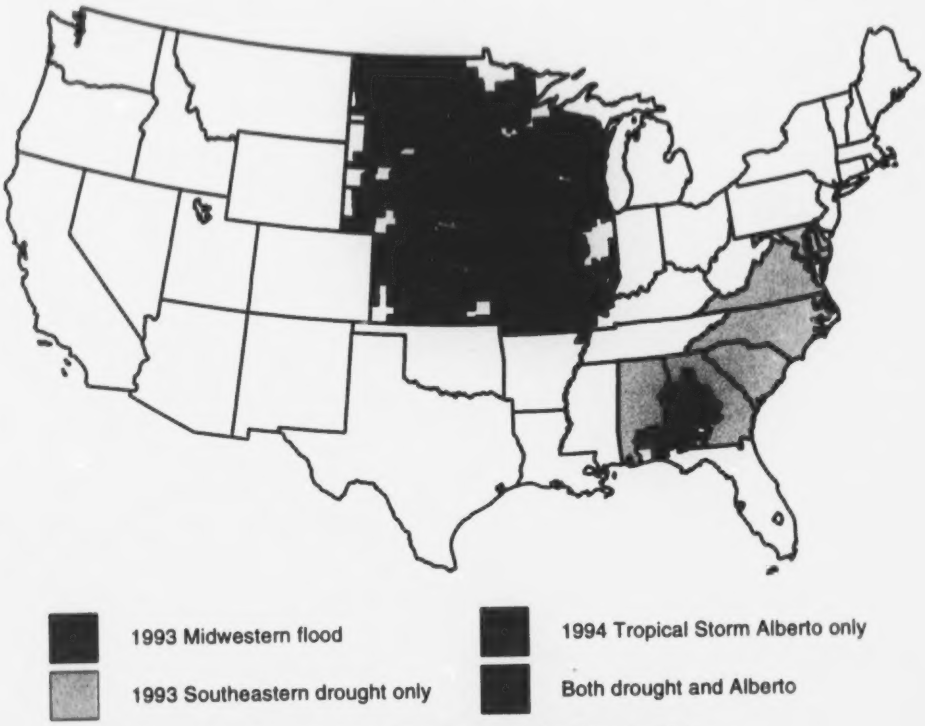
*Disaster counties are traditionally important to U.S. agriculture*

| Item | U.S. total | In selected disaster counties: | |
|---|---|---|---|
| | | Total | Share of U.S. |
| | Number | | Percent |
| All farms | 2,090,700 | 857,513 | 41.0 |
| Sales class: | | | |
| Less than $50,000 | 1,533,087 | 569,997 | 37.2 |
| $50,000 or more (commercial) | 557,613 | 287,516 | 51.6 |
| Commodity specialization: | | | |
| Cash grain | 390,607 | 237,060 | 60.7 |
| Other crops | 489,915 | 158,228 | 32.3 |
| Beef, hogs, and sheep | 921,702 | 345,444 | 37.5 |
| Dairy | 140,201 | 74,068 | 52.8 |
| Other livestock | 148,274 | 42,714 | 28.8 |
| | Million dollars | | |
| Value of production | 143,545 | 59,784 | 41.6 |
| Crops | 70,490 | 27,123 | 38.5 |
| Livestock | 73,056 | 32,661 | 44.7 |

Source: Calculated by ERS using data from the 1992 Farm Costs and Returns Survey.

### Selected disaster areas in 1993 and 1994

*Large areas of the Midwest and Southeast were declared disaster areas in 1993 and a portion of the Southeast was hit again in 1994*



1993 Midwestern flood
1993 Southeastern drought only
1994 Tropical Storm Alberto only
Both drought and Alberto

Note: Several more counties in States surrounding the Southeastern drought area shown here were also designated as disaster counties, but only counties in States that were entirely disaster areas were analyzed. Three of the four Florida counties shown as hit by Tropical Storm Alberto only are among the counties that were declared drought disaster areas in 1993, but not included in this analysis of the drought.

Source: Disaster area designations obtained from the Farmers Home Administration.

### Off-farm Income May Have Helped

Most farm operator households have other sources of income that they can rely upon when disasters affect their farms. In 1992, 72 percent of all farm operator households and 38 percent of commercial farm operator households in the two groups of disaster counties received more from off-farm sources than from their farms. For many households, off-farm jobs stabilize income and carry the household through rough times on the farm. The 8 percent of operator households that reported no income except from their farms may have been the most financially threatened by the disasters. A disaster like the Midwestern flood that also closes nonfarm businesses, however, may have been just as financially threatening to farm households that normally rely on both farm and off-farm sources of income.

### Disasters Strike Fewer Counties in 1994

So far, 1994 has been less disaster-prone than 1993, and the USDA forecasts higher farm income for 1994. But torrential rain, high winds, tornados, and flooding associated with Tropical Storm Alberto hit portions of Georgia, Florida, and Alabama in early July. In addition, severe rain and flooding occurred in parts of Texas in late October. And Tropical Storm Gordon struck Florida farms in November.

Farms in areas struck 2 consecutive years by bad weather are especially prone to financial stress. For example, virtually all the counties designated as disaster areas because of Alberto were also disaster areas last year, putting farms in those counties in that stressful situation.

Much better weather in most parts of the Nation does not necessarily mean higher net income, however. For example, record production and falling prices in the Midwest may leave some farms in relatively weak financial condition, depending on their costs of production. *[Robert A. Hoppe, 202/501-8308 and Janet E. Perry, 202/219-0803]*

**Farm financial characteristics in selected disaster counties, 1992 and 1993**

*Changes are most pronounced for commercial farms in disaster counties*

| | Selected disaster areas: | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Midwestern flood | | Southeastern drought | | Both areas | | Other counties | | U.S. total | |
| Item | 1992 | 1993P | 1992 | 1993P | 1992 | 1993P | 1992 | 1993P | 1992 | 1993P |
| Commercial farms:[1] | | | | | Dollars per farm | | | | | |
| Net farm income | 35,191 | 25,030 | 40,774 | 30,958 | 36,080 | 25,911 | 53,671 | 54,862 | 44,601 | 39,683 |
| Government payments | 8,634 | 16,252 | 4,591 | 10,520 | 7,989 | 15,401 | 9,764 | 13,431 | 8,849 | 14,464 |
| | | | | | Percent | | | | | |
| Favorable financial position[2] | 70.1 | 60.2 | 74.1 | 65.4 | 70.7 | 60.9 | 67.0 | 62.0 | 68.9 | 61.5 |
| Low debt/asset ratio[3] | 44.0 | 31.8 | 59.0 | 51.0 | 46.4 | 34.7 | 49.7 | 44.0 | 48.0 | 39.1 |
| All farms: | | | | | Dollars per farm | | | | | |
| Net farm income | 15,538 | 11,838 | 11,773 | 9,074 | 14,537 | 11,117 | 12,801 | 12,214 | 13,513 | 11,776 |
| Government payment | 4,458 | 8,284 | 1,327 | 2,610 | 3,626 | 6,805 | 2,569 | 3,399 | 3,002 | 4,761 |
| | | | | | Percent | | | | | |
| Favorable financial position[2] | 66.4 | 61.3 | 75.9 | 69.7 | 69.0 | 63.5 | 63.0 | 58.9 | 65.5 | 60.7 |
| Low debt/asset ratio[3] | 58.2 | 50.9 | 79.3 | 77.6 | 63.9 | 57.8 | 71.1 | 66.2 | 68.1 | 62.8 |

Note: P = preliminary.

[1] Farms with sales of $50,000 or more.

[2] Positive net farm income and debt/asset ratio of no more than 0.40.

[3] Debt/asset ratio of no more than 0.10.

Source: Calculated by ERS using data from the 1992 and 1993 Farm Costs and Returns Surveys.

## Data Sources

**Macroeconomic conditions:** The economic indicators used to monitor macroeconomic changes in the U.S. economy are derived from Federal sources. Measures of inflation, including the Consumer and Producer Price Indexes, and employment and unemployment data are developed by the U.S. Department of Labor's Bureau of Labor Statistics (BLS). National income and product account information on capital investment, gross domestic product, and net exports is produced by the Bureau of Economic Analysis (BEA), U.S. Department of Commerce. Information relating to monetary policy, including changes in interest rates and foreign exchange rates, and data on industrial production are furnished by the Federal Reserve Board of Governors.

**Employment and earnings data:** Data on nonmetro employment, unemployment, and earnings come from three sources. The monthly Current Population Survey (CPS), conducted by the Bureau of the Census for the U.S. Department of Labor, provides detailed information on the labor force, employment, unemployment, and demographic characteristics of the metro and nonmetro population. CPS derives estimates based on a national sample of about 58,000 households that are representative of the U.S. civilian noninstitutional population 16 years of age and over. Labor force information is based on respondents' activity during 1 week each month. CPS data are not used in this issue because they are not available for metro and nonmetro areas. The CPS is undergoing redesign, both in the questions asked and the areas from which respondents are drawn. When the redesign is complete, CPS data will again be the main source of nonmetro employment and unemployment information presented in Rural Conditions and Trends.

BLS county-level employment data are taken from unemployment insurance claims and State surveys of establishment payrolls which are then benchmarked to State totals from the CPS. Thus, at the national and State levels, annual average BLS and CPS estimates are the same. The BLS data series provides monthly estimates of labor force, employment, and unemployment for individual counties.

BEA employment data, unlike the household data collected by the CPS and BLS, provide establishment data on the number of jobs rather than the number of workers. The BEA data are taken primarily from administrative reports filed by employers covered under unemployment insurance laws and from information from the Internal Revenue Service and the Social Security Administration. Thus, jobs and earnings for these jobs are counted at the place of work and are based on a virtual universal count rather than a sample. The BEA data provide detailed information on the number of jobs and amount of earnings by industry at the county level. A shortcoming of the BEA data is the 2-year lag between when they are collected and when they are available for analysis.

Each of these data sets has its advantages and disadvantages. CPS furnishes detailed employment, unemployment, and demographic data for metro and nonmetro portions of the Nation. The BEA provides estimates of the number of jobs and earnings by industry for individual county areas. BLS provides less detailed employment data than CPS, but offers very current employment and unemployment information at the county level. While these data sources are likely to provide different estimates of employment conditions at any point in time, they generally indicate similar trends.

**Farm income:** Farm income data are from the Farm Costs and Returns Survey (FCRS), conducted jointly by the Economic Research Service and the National Agricultural Statistics Service, USDA. The target population is all U.S. farming units that sell or normally would sell at least $1,000 worth of agricultural products. The individual farm firm is the unit of observation.

The survey collects financial data on farm businesses and information about farm operators and their households. Compared with other data sources, the FCRS has the advantage of producing timely, detailed data about farms and the people who run them.

For most years since its inception, the usable FCRS sample has been approximately 12,000 farms. The size of the sample, however, fluctuates with the resources allocated to conduct the survey. In 1992, usable sample size was about 11,000, and about 8,000 in 1993.

The FCRS is not designed to provide reliable data at the county or State levels. The characteristics of farm operator households in large groups of counties, however, can be determined by examining the survey farms located in the county groups.

## Definitions

Throughout *Rural Conditions and Trends*, we use "rural" and "nonmetro" interchangeably. The same holds for "urban" and "metro." However, in tables we use "nonmetro" and "metro," the original and more accurate terms used in the data sources.

**Adjusted unemployment rate:** The number of unemployed people, discouraged workers who have given up looking for work, and half of the workers who work part time but want full-time work as a percentage of the civilian labor force plus discouraged workers.

**Civilian labor force:** Noninstitutional civilians age 16 or older who are either employed or unemployed. Individuals who are neither employed nor unemployed are out of the labor force.

**Commercial farm:** A farm that sells at least $50,000 worth of agricultural products.

**Consumer Price Index (CPI):** A measure of the average price level of a basket of consumer goods and services at the retail level for a specific period compared against a benchmark period.

**Farm:** Any place from which $1,000 worth or more of agricultural products are sold or normally would be sold.

**Farm debt/asset ratio:** The ratio of a farm's debts to its assets. In this report, a debt/asset ratio of no more than 0.10 is considered low.

**Farm financial position:** The measure of a farm's overall financial performance. A farm has a favorable financial position if it has positive net farm income and a debt/equity ratio less than or equal to 0.40. A farm with negative net farm income or a debt/equity ratio greater than 0.40 has a less-than-favorable financial position.

**Farm income, net:** Indicates profit or loss from current production. Net farm income is gross cash income (adjusted for inventory change and nonmonetary income) less total operating expenses (including interest payments and depreciation).

**Foreign exchange rate:** The rate at which one currency is traded for another. The Federal Reserve publishes a measure of the overall foreign exchange rate of the U.S. dollar based on the rates of the 10 major U.S. trading partners.

**Gross domestic product (GDP):** The value of final output produced by people, government, and firms in the United States, whether they are U.S. or foreign citizens, or U.S.- or foreign-owned firms. Output of U.S. citizens or firms located outside the United States is not included. This statistic is reported quarterly but is revised in each of the 2 months following the initial release.

**GDP price deflator:** A measure of the average price of final output produced by people, government, and firms in the United States during a specific period compared against a benchmark period.

**Inflation rate:** The percentage change in a measure of the average price level. The index used to measure inflation depends on the part of the economy being analyzed. In this issue, for example, the GDP price deflator is used to measure inflation in the overall national economy and the implicit Personal Consumption Expenditures Price Deflator is used to measure inflation in earnings.

**Labor force participation rate:** The civilian labor force as a percentage of the civilian noninstitutional population age 16 and older.

**Metro areas:** Metropolitan Statistical Areas (MSA's), as defined by the Office of Management and Budget, include core counties containing a city of 50,000 or more people and a total area population of at least 100,000. Additional contiguous counties are included in the MSA if they are economically and socially integrated with the core county. Metro areas are divided into central cities and areas outside central cities (suburbs). Throughout this publication, "urban" and "metro" have been used interchangeably to refer to people and places within MSA's.

**Nonmetro areas:** Counties outside metro area boundaries. Throughout this publication, "rural" and "nonmetro" are used interchangeably to refer to people and places outside of MSA's.

**Personal consumption expenditures price deflator:** A measure of the average price of a basket of goods and services purchased by consumers during a specific period compared against a benchmark period.

**Region and division:** The four regions and nine divisions within the regions defined by the Bureau of the Census are used in the Employment and Unemployment articles in this issue. The nine regions defined by the Bureau of Economic Analysis are used in the Industry and Earnings articles. The States in these regions and divisions are as follows:

Bureau of the Census regions and *divisions*
Northeast—*New England*—Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont;
*Middle Atlantic*—New Jersey, New York, and Pennsylvania.
Midwest—*East North Central*—Illinois, Indiana, Michigan, Ohio, and Wisconsin;
*West North Central*—Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, and South Dakota.
South—*South Atlantic*—Delaware, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, and West Virginia;
*East South Central*—Alabama, Kentucky, Mississippi, and Tennessee;
*West South Central*—Arkansas, Louisiana, Oklahoma, and Texas.
West—*Mountain*—Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, and Wyoming;
*Pacific*—Alaska, California, Hawaii, Oregon, and Washington.

Bureau of Economic Analysis (BEA) regions
New England—Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont.
Mideast—Delaware, District of Columbia, Maryland, New Jersey, New York, and Pennsylvania.
Great Lakes—Illinois, Indiana, Michigan, Ohio, and Wisconsin.
Plains—Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, and South Dakota.
Southeast—Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, and West Virginia.
Southwest—Arizona, New Mexico, Oklahoma, and Texas.
Rocky Mountain—Colorado, Idaho, Montana, Utah, and Wyoming.
Far West—Alaska, California, Hawaii, Nevada, Oregon, and Washington.

**Unemployment rate:** The number of unemployed people 16 years and older as a percentage of the civilian labor force 16 years and older.

## Appendix table 1—Average employment change for nonmetro county groups

| Item | Change in employment from first half to first half: 1990-91 | 1991-92 | 1992-93 | 1993-94 |
|---|---|---|---|---|
| | Percent | | | |
| U.S. total | -1.0 | 0.4 | 1.4 | 2.5 |
| Metro | -1.2 | .1 | 1.2 | 2.4 |
| Nonmetro | -.3 | 1.2 | 2.1 | 2.8 |
| Region: | | | | |
| Northeast | -1.8 | -.1 | 1.1 | .2 |
| Midwest | .2 | 1.2 | 2.7 | 2.7 |
| South | -.5 | 1.1 | 1.8 | 2.3 |
| West | .3 | 2.2 | 2.4 | 5.9 |
| County type: | | | | |
| Farming | -.4 | .5 | 1.9 | 3.8 |
| Manufacturing | -1.0 | 1.2 | 2.2 | 2.3 |
| Mining | .5 | -1.0 | 0.5 | 1.6 |
| Retirement | .1 | 1.8 | 2.8 | 3.7 |
| Urban-rural continuum codes: | | | | |
| Adjacent— | | | | |
| Urban | -.6 | .8 | 1.8 | 2.5 |
| Less urban | -.4 | 1.3 | 2.3 | 2.7 |
| Rural | .1 | 1.7 | 2.3 | 3.0 |
| Nonadjacent— | | | | |
| Urban | .1 | 1.2 | 1.8 | 3.0 |
| Less urban | -.2 | 1.2 | 2.2 | 2.9 |
| Rural | -.7 | 1.1 | 1.8 | 2.5 |
| Minority counties: | | | | |
| Black | -1.0 | .8 | 1.0 | 1.8 |
| Hispanic | .6 | 1.0 | 1.4 | 4.7 |
| Native American | 1.3 | 3.1 | 2.2 | 4.6 |

Note: Rates are not seasonally adjusted. Data for the first half of 1994 are preliminary.
Source: Bureau of Labor Statistics.

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## Appendix table 2—Average unemployment rates for nonmetro county groups

| Item | Average over first half of year: | | | |
|---|---|---|---|---|
| | 1991 | 1992 | 1993 | 1994 |
| | Percent | | | |
| U.S. total | 6.9 | 7.6 | 7.2 | 6.6 |
| Metro | 6.5 | 7.4 | 7.0 | 6.4 |
| Nonmetro | 8.1 | 8.6 | 7.9 | 7.3 |
| Region: | | | | |
| Northeast | 8.8 | 9.3 | 8.3 | 7.8 |
| Midwest | 7.4 | 7.6 | 7.0 | 6.4 |
| South | 8.4 | 8.8 | 7.9 | 7.3 |
| West | 8.3 | 9.6 | 9.6 | 8.5 |
| County type: | | | | |
| Farming | 7.4 | 7.8 | 7.5 | 7.0 |
| Manufacturing | 8.4 | 8.6 | 7.6 | 6.9 |
| Mining | 9.3 | 10.9 | 10.4 | 9.3 |
| Retirement | 8.4 | 9.0 | 8.3 | 7.6 |
| Urban-rural continuum codes: | | | | |
| Adjacent— | | | | |
| Urban | 7.9 | 8.5 | 7.8 | 7.1 |
| Less urban | 8.3 | 8.6 | 7.9 | 7.2 |
| Rural | 8.4 | 9.0 | 8.2 | 7.5 |
| Nonadjacent— | | | | |
| Urban | 7.8 | 8.5 | 8.0 | 7.4 |
| Less urban | 8.2 | 8.6 | 7.9 | 7.3 |
| Rural | 8.4 | 8.7 | 8.0 | 7.4 |
| Minority counties: | | | | |
| Black | 8.7 | 9.3 | 8.6 | 8.2 |
| Hispanic | 10.4 | 12.0 | 11.6 | 10.9 |
| Native American | 9.3 | 10.8 | 10.0 | 9.0 |

Note: Rates are not seasonally adjusted. Data for the first half of 1994 are preliminary.
Source: Bureau of Labor Statistics.

## Appendix table 3—Nonfarm jobs by industry and BEA region

| | United States | | New England | | Mideast | | Great Lakes | | Plains | |
|---|---|---|---|---|---|---|---|---|---|---|
| Item | Nonmetro | Metro | Nonmetro | Metro | Nonmetro | Metro | Nonmetro | Metro | Nonmetro | Metro |
| | | | | | Thousands | | | | | |
| 1992: | | | | | | | | | | |
| Total nonfarm | 23,183 | 113,072 | 1,039 | 6,451 | 1,684 | 21,943 | 3,881 | 18,758 | 3,545 | 6,651 |
| AFSS[1] | 413 | 1,080 | 17 | 52 | 10 | 154 | 47 | 127 | 74 | 36 |
| Mining | 393 | 558 | 1 | 5 | 19 | 30 | 49 | 37 | 31 | 28 |
| Construction | 1,232 | 5,381 | 66 | 256 | 91 | 917 | 193 | 830 | 173 | 306 |
| Manufacturing | 4,182 | 14,498 | 165 | 969 | 287 | 2,549 | 835 | 3,299 | 522 | 896 |
| TCPU[2] | 1,044 | 5,543 | 37 | 250 | 78 | 1,090 | 184 | 870 | 170 | 378 |
| Wholesale | 824 | 5,832 | 31 | 309 | 49 | 1,119 | 141 | 1,000 | 175 | 382 |
| Retail | 4,191 | 18,824 | 188 | 1,057 | 316 | 3,285 | 726 | 3,275 | 663 | 1,154 |
| FIRE[3] | 1,120 | 9,456 | 58 | 592 | 85 | 2,131 | 183 | 1,462 | 184 | 560 |
| Services[4] | 5,534 | 34,701 | 309 | 2,161 | 464 | 7,251 | 920 | 5,389 | 873 | 2,005 |
| Government | 4,250 | 17,201 | 166 | 799 | 285 | 3,416 | 605 | 2,469 | 681 | 907 |
| 1991: | | | | | | | | | | |
| Total nonfarm | 22,733 | 112,297 | 1,033 | 6,478 | 1,678 | 22,062 | 3,804 | 18,583 | 3,467 | 6,545 |
| AFSS[1] | 406 | 1,071 | 18 | 52 | 6 | 158 | 31 | 139 | 67 | 41 |
| Mining | 419 | 597 | 2 | 5 | 21 | 31 | 47 | 42 | 35 | 25 |
| Construction | 1,221 | 5,523 | 68 | 267 | 92 | 977 | 189 | 838 | 167 | 299 |
| Manufacturing | 4,148 | 14,876 | 167 | 1,010 | 292 | 2,662 | 827 | 3,337 | 516 | 910 |
| TCPU[2] | 1,036 | 5,550 | 37 | 255 | 79 | 1,104 | 183 | 867 | 170 | 378 |
| Wholesale | 810 | 5,821 | 30 | 313 | 48 | 1,129 | 141 | 1,001 | 172 | 375 |
| Retail | 4,099 | 18,695 | 186 | 1,057 | 316 | 3,313 | 710 | 3,256 | 648 | 1,136 |
| FIRE[3] | 1,118 | 9,513 | 58 | 604 | 86 | 2,156 | 180 | 1,462 | 183 | 555 |
| Services[4] | 5,306 | 33,601 | 300 | 2,100 | 453 | 7,099 | 896 | 5,194 | 841 | 1,925 |
| Government | 4,171 | 17,051 | 167 | 815 | 284 | 3,434 | 599 | 2,446 | 668 | 900 |
| 1990: | | | | | | | | | | |
| Total nonfarm | 22,545 | 113,268 | 1,057 | 6,725 | 1,682 | 22,576 | 3,763 | 18,684 | 3,412 | 6,520 |
| AFSS[1] | 387 | 1,033 | 18 | 51 | 19 | 141 | 41 | 120 | 57 | 43 |
| Mining | 437 | 602 | 1 | 6 | 20 | 36 | 51 | 43 | 38 | 24 |
| Construction | 1,251 | 5,957 | 78 | 309 | 97 | 1,093 | 191 | 880 | 168 | 306 |
| Manufacturing | 4,251 | 15,505 | 177 | 1,079 | 304 | 2,819 | 847 | 3,468 | 517 | 936 |
| TCPU[2] | 1,023 | 5,571 | 37 | 265 | 74 | 1,120 | 179 | 876 | 168 | 377 |
| Wholesale | 798 | 5,918 | 31 | 330 | 48 | 1,181 | 137 | 1,004 | 170 | 374 |
| Retail | 4,041 | 18,979 | 193 | 1,122 | 314 | 3,419 | 694 | 3,285 | 634 | 1,133 |
| FIRE[3] | 1,108 | 9,562 | 59 | 620 | 86 | 2,185 | 178 | 1,448 | 181 | 550 |
| Services[4] | 5,107 | 33,081 | 295 | 2,106 | 435 | 7,094 | 849 | 5,120 | 812 | 1,884 |
| Government | 4,142 | 17,061 | 168 | 837 | 284 | 3,488 | 596 | 2,441 | 667 | 893 |
| 1989: | | | | | | | | | | |
| Total nonfarm | 22,023 | 111,195 | 1,067 | 6,889 | 1,658 | 22,480 | 3,670 | 18,369 | 3,322 | 6,371 |
| AFSS[1] | 364 | 976 | 17 | 52 | 18 | 134 | 37 | 112 | 53 | 39 |
| Mining | 432 | 608 | 1 | 6 | 22 | 36 | 50 | 48 | 38 | 23 |
| Construction | 1,228 | 6,006 | 90 | 367 | 99 | 1,145 | 182 | 863 | 159 | 302 |
| Manufacturing | 4,258 | 15,772 | 184 | 1,152 | 313 | 2,951 | 847 | 3,512 | 507 | 939 |
| TCPU[2] | 993 | 5,381 | 36 | 262 | 72 | 1,089 | 176 | 857 | 166 | 367 |
| Wholesale | 792 | 5,917 | 31 | 348 | 48 | 1,199 | 135 | 1,009 | 170 | 373 |
| Retail | 3,945 | 18,802 | 197 | 1,172 | 307 | 3,456 | 679 | 3,241 | 619 | 1,122 |
| FIRE[3] | 1,112 | 9,608 | 62 | 638 | 86 | 2,218 | 178 | 1,448 | 182 | 544 |
| Services[4] | 4,852 | 31,413 | 284 | 2,056 | 415 | 6,826 | 805 | 4,887 | 772 | 1,790 |
| Government | 4,047 | 16,711 | 165 | 835 | 278 | 3,426 | 581 | 2,392 | 656 | 872 |

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See footnotes at end of table.

*—Continued*

## Appendix table 3—Nonfarm jobs by industry and BEA region—Continued

| Item | Southeast |  | Southwest |  | Rocky Mountain |  | Far West |  |
|---|---|---|---|---|---|---|---|---|
|  | Nonmetro | Metro | Nonmetro | Metro | Nonmetro | Metro | Nonmetro | Metro |
|  | Thousands |  |  |  |  |  |  |  |
| 1992: |  |  |  |  |  |  |  |  |
| Total nonfarm | 7,745 | 23,880 | 2,200 | 11,543 | 1,388 | 2,959 | 1,700 | 20,888 |
| AFSS[1] | 115 | 246 | 56 | 117 | 30 | 25 | 65 | 324 |
| Mining | 114 | 97 | 118 | 270 | 39 | 28 | 23 | 62 |
| Construction | 418 | 1,331 | 118 | 610 | 83 | 149 | 91 | 982 |
| Manufacturing | 1,859 | 2,846 | 215 | 1,191 | 114 | 300 | 185 | 2,448 |
| TCPU[2] | 323 | 1,256 | 105 | 598 | 69 | 159 | 76 | 943 |
| Wholesale | 255 | 1,217 | 75 | 594 | 47 | 148 | 53 | 1,063 |
| Retail | 1,312 | 4,196 | 398 | 1,979 | 271 | 502 | 316 | 3,375 |
| FIRE[3] | 322 | 1,740 | 110 | 930 | 86 | 251 | 93 | 1,789 |
| Services[4] | 1,603 | 6,870 | 538 | 3,417 | 375 | 904 | 451 | 6,703 |
| Government | 1,424 | 4,081 | 467 | 1,837 | 274 | 493 | 348 | 3,198 |
| 1991: |  |  |  |  |  |  |  |  |
| Total nonfarm | 7,577 | 23,451 | 2,165 | 11,347 | 1,338 | 2,872 | 1,670 | 20,958 |
| AFSS[1] | 138 | 219 | 55 | 114 | 29 | 24 | 62 | 323 |
| Mining | 123 | 109 | 128 | 286 | 41 | 30 | 23 | 68 |
| Construction | 414 | 1,356 | 116 | 602 | 79 | 137 | 95 | 1,046 |
| Manufacturing | 1,827 | 2,858 | 218 | 1,214 | 112 | 299 | 188 | 2,586 |
| TCPU[2] | 318 | 1,251 | 105 | 593 | 68 | 156 | 76 | 946 |
| Wholesale | 247 | 1,207 | 74 | 589 | 46 | 147 | 52 | 1,061 |
| Retail | 1,283 | 4,126 | 388 | 1,940 | 259 | 485 | 308 | 3,384 |
| FIRE[3] | 321 | 1,750 | 110 | 934 | 85 | 246 | 93 | 1,805 |
| Services[4] | 1,513 | 6,574 | 515 | 3,289 | 353 | 867 | 434 | 6,551 |
| Government | 1,393 | 4,001 | 456 | 1,785 | 266 | 482 | 339 | 3,189 |
| 1990: |  |  |  |  |  |  |  |  |
| Total nonfarm | 7,560 | 23,540 | 2,128 | 11,178 | 1,298 | 2,796 | 1,645 | 21,250 |
| AFSS[1] | 107 | 234 | 51 | 105 | 27 | 22 | 67 | 317 |
| Mining | 131 | 112 | 129 | 282 | 43 | 30 | 24 | 69 |
| Construction | 431 | 1,473 | 117 | 598 | 76 | 128 | 94 | 1,170 |
| Manufacturing | 1,875 | 2,942 | 221 | 1,231 | 113 | 301 | 197 | 2,729 |
| TCPU[2] | 320 | 1,243 | 103 | 580 | 66 | 154 | 74 | 956 |
| Wholesale | 247 | 1,212 | 72 | 577 | 43 | 143 | 50 | 1,097 |
| Retail | 1,275 | 4,185 | 382 | 1,915 | 248 | 472 | 300 | 3,447 |
| FIRE[3] | 318 | 1,755 | 110 | 935 | 84 | 243 | 92 | 1,826 |
| Services[4] | 1,474 | 6,399 | 493 | 3,180 | 335 | 826 | 413 | 6,472 |
| Government | 1,381 | 3,984 | 450 | 1,775 | 261 | 476 | 335 | 3,167 |
| 1989: |  |  |  |  |  |  |  |  |
| Total nonfarm | 7,403 | 22,992 | 2,076 | 10,799 | 1,247 | 2,705 | 1,579 | 20,589 |
| AFSS[1] | 101 | 221 | 48 | 97 | 26 | 21 | 65 | 300 |
| Mining | 131 | 109 | 124 | 285 | 42 | 31 | 23 | 69 |
| Construction | 422 | 1,477 | 120 | 582 | 70 | 124 | 85 | 1,145 |
| Manufacturing | 1,882 | 2,961 | 215 | 1,214 | 110 | 297 | 199 | 2,747 |
| TCPU[2] | 306 | 1,199 | 100 | 546 | 65 | 148 | 73 | 912 |
| Wholesale | 246 | 1,215 | 72 | 567 | 43 | 139 | 48 | 1,067 |
| Retail | 1,249 | 4,116 | 371 | 1,869 | 237 | 459 | 286 | 3,367 |
| FIRE[3] | 317 | 1,764 | 113 | 945 | 85 | 248 | 89 | 1,803 |
| Services[4] | 1,399 | 6,031 | 472 | 2,961 | 316 | 772 | 388 | 6,089 |
| Government | 1,349 | 3,898 | 441 | 1,732 | 255 | 467 | 323 | 3,089 |

Note: All data revised. Missing numbers estimated by ERS.

[1] Includes agricultural services, forestry, and fishing.

[2] Includes transportation, communication, and public utilities.

[3] Includes finance, insurance, and real estate.

[4] Includes health, legal, educational, recreational, business, repair, and personal services.

Source: Bureau of Economic Analysis.

## Appendix table 4—Nonfarm jobs in 1992 and cyclical change during 1973-92

| Industry | 1992<br>Nonmetro | 1992<br>Metro | Change 1991-92:<br>Nonmetro | Change 1991-92:<br>Metro |
|---|---|---|---|---|
| | Thousands | | Percent | |
| Total nonfarm | 23,183 | 113,072 | 2.0 | 0.7 |
| Goods-producing | 6,220 | 21,517 | .4 | -2.5 |
| AFFS[1] | 413 | 1,080 | 1.7 | .8 |
| Mining | 393 | 558 | -6.2 | -6.5 |
| Construction | 1,232 | 5,381 | .9 | -2.6 |
| Manufacturing | 4,182 | 14,498 | .8 | -2.5 |
| Service-producing | 12,713 | 74,356 | 2.8 | 1.6 |
| TCPU[2] | 1,044 | 5,543 | .8 | -.1 |
| Wholesale | 824 | 5,832 | 1.7 | .2 |
| Retail | 4,191 | 18,824 | 2.2 | .7 |
| FIRE[3] | 1,120 | 9,456 | .2 | -.6 |
| Services[4] | 5,534 | 34,701 | 4.3 | 3.3 |
| Government | 4,250 | 17,201 | 1.9 | .9 |

| Industry and region | Annual change in nonmetro jobs:<br>Recession, 1973-75 | First year of recovery, 1975-76 | Back-to-back recessions, 1979-82 | First year of recovery, 1982-83 | Recession, 1989-91 | First year of recovery, 1991-92 |
|---|---|---|---|---|---|---|
| | | | Percent | | | |
| All nonfarm | 0.4 | 4.1 | -0.3 | 0.6 | 1.6 | 2.0 |
| Goods-producing | -2.4 | 7.0 | -2.9 | -.9 | -.7 | .4 |
| ASFF[1] | .8 | 9.4 | 2.7 | 5.1 | 5.5 | 1.9 |
| Mining | 9.3 | 4.0 | 5.6 | -13.3 | -1.5 | -6.3 |
| Construction | 1.1 | 7.7 | -3.5 | -.9 | -.3 | .9 |
| Manufacturing | -4.6 | 7.1 | -4.2 | .9 | -1.3 | .8 |
| Service-producing | 1.6 | 4.0 | 1.3 | 1.5 | 2.8 | 2.8 |
| TCPU[2] | .6 | 1.2 | .2 | -.9 | 2.1 | .8 |
| Wholesale | 16.6 | 3.2 | -.3 | -2.7 | 1.1 | 1.7 |
| Retail | -.6 | 5.0 | .3 | 1.2 | 1.9 | 2.2 |
| FIRE[3] | 2.2 | 2.1 | 1.6 | -1.6 | .3 | .2 |
| Services[4] | 1.1 | 4.7 | 2.6 | 4.1 | 4.6 | 4.3 |
| Government | 2.1 | -.0 | -.0 | .4 | 1.5 | 1.9 |

Note: -.0 equals a decline of less than .1 percent.

[1] Includes agricultural services, forestry, and fishing.

[2] Includes transportation, communication, and public utilities.

[3] Includes finance, insurance, and real estate.

[4] Includes health, legal, educational, recreational, business, repair, and personal services.

Source: Calculated by ERS using data from the Bureau of Economic Analysis.

## Appendix table 5—Real earnings per nonfarm job in nonmetro and metro areas

| Item | 1969 | 1970 | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 |
|---|---|---|---|---|---|---|---|---|
| | | | | 1992 dollars | | | | |
| United States | 25,122 | 25,513 | 25,800 | 26,543 | 26,634 | 25,922 | 25,860 | 26,563 |
| Nonmetro | 20,005 | 20,349 | 20,645 | 21,268 | 21,551 | 21,220 | 21,412 | 22,243 |
| Metro | 26,212 | 26,614 | 26,913 | 27,689 | 27,733 | 26,940 | 26,828 | 27,517 |
| Metro-nonmetro earnings gap | 6,207 | 6,265 | 6,268 | 6,421 | 6,182 | 5,720 | 5,416 | 5,274 |
| | | | | Percent | | | | |
| Nonmetro/metro earnings ratio | 76.3 | 76.5 | 76.7 | 76.8 | 77.7 | 78.8 | 79.8 | 80.8 |
| Change from previous year: | | | | | | | | |
| United States | NA | 1.6 | 1.1 | 2.9 | .3 | -2.7 | -.2 | 2.7 |
| Nonmetro | NA | 1.7 | 1.5 | 3.0 | 1.3 | -1.5 | .9 | 3.9 |
| Metro | NA | 1.5 | 1.1 | 2.9 | .2 | -2.9 | -.4 | 2.6 |

| | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 |
|---|---|---|---|---|---|---|---|---|
| | | | | 1992 dollars | | | | |
| United States | 26,672 | 26,881 | 26,694 | 26,213 | 25,970 | 25,879 | 26,019 | 26,330 |
| Nonmetro | 22,191 | 22,483 | 22,386 | 21,867 | 21,527 | 21,184 | 21,162 | 21,364 |
| Metro | 27,661 | 27,845 | 27,629 | 27,145 | 26,916 | 26,873 | 27,040 | 27,361 |
| Metro-nonmetro earnings gap | 5,470 | 5,362 | 5,243 | 5,278 | 5,389 | 5,689 | 5,878 | 5,997 |
| | | | | Percent | | | | |
| Nonmetro/metro earnings ratio | 80.2 | 80.7 | 81.0 | 80.6 | 80.0 | 78.8 | 78.3 | 78.1 |
| Change from previous year: | | | | | | | | |
| United States | .4 | .8 | -.7 | -1.8 | -.9 | -.4 | .5 | 1.2 |
| Nonmetro | -.2 | 1.3 | -.4 | -2.3 | -1.6 | -1.6 | -.1 | 1.0 |
| Metro | .5 | .7 | -.8 | -1.8 | -.8 | -.2 | .6 | 1.2 |

| | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 | 1991 | 1992 |
|---|---|---|---|---|---|---|---|---|
| | | | | 1992 dollars | | | | |
| United States | 26,415 | 26,672 | 26,695 | 26,774 | 26,579 | 26,327 | 26,214 | 26,754 |
| Nonmetro | 21,157 | 21,145 | 20,832 | 20,785 | 20,643 | 20,297 | 20,105 | 20,389 |
| Metro | 27,487 | 27,782 | 27,866 | 27,960 | 27,755 | 27,527 | 27,450 | 28,059 |
| Metro-nonmetro earnings gap | 6,330 | 6,637 | 7,034 | 7,175 | 7,112 | 7,230 | 7,345 | 7,670 |
| | | | | Percent | | | | |
| Nonmetro/metro earnings ratio | 77.0 | 76.1 | 74.8 | 74.3 | 74.4 | 73.7 | 73.2 | 72.7 |
| Change from previous year | | | | | | | | |
| United States | .3 | 1.0 | .1 | .3 | -.7 | -.9 | -.4 | 2.1 |
| Nonmetro | -1.0 | -.1 | -1.5 | -.2 | -.7 | -1.7 | -.9 | 1.4 |
| Metro | .5 | 1.1 | .3 | .3 | -.7 | -.8 | -.3 | 2.2 |

Note: Data for 1984 through 1991 revised by BEA. All years' earnings converted to 1992 dollars using the implicit price deflator for personal consumption expenditures.

Source: Calculated by ERS using data from the Bureau of Economic Earnings per nonfarm job in 1992 and cyclical change during 1973-92

## Appendix table 6—Earnings per nonfarm job in 1992 and cyclical change during 1973-92

| Industry and region | 1992 earnings per job<br>Nonmetro | <br>Metro | <br>Nonmetro/metro earnings ratio |
|---|---|---|---|
| | Dollars | Dollars | Percent |
| All nonfarm | 20,389 | 28,059 | 72.7 |
| By industry: | | | |
| ASFF[1] | 14,389 | 16,774 | 85.8 |
| Mining | 34,715 | 37,724 | 92.0 |
| Construction | 22,402 | 30,720 | 72.9 |
| Manufacturing | 27,640 | 39,601 | 69.8 |
| TCPU[2] | 30,573 | 38,531 | 79.3 |
| Wholesale | 24,237 | 36,953 | 65.6 |
| Retail | 12,965 | 15,886 | 81.6 |
| FIRE[3] | 13,738 | 26,644 | 51.6 |
| Services[4] | 16,563 | 26,080 | 63.5 |
| Government | 22,736 | 29,597 | 76.8 |
| By BEA region: | | | |
| New England | 22,577 | 30,180 | 74.8 |
| Mideast | 21,838 | 31,986 | 68.3 |
| Great Lakes | 21,072 | 27,977 | 75.3 |
| Plains | 18,611 | 25,992 | 71.6 |
| Southeast | 20,138 | 24,961 | 80.7 |
| Southwest | 19,212 | 25,869 | 74.3 |
| Rocky Mountain | 19,901 | 24,481 | 81.3 |
| Far West | 22,827 | 29,271 | 78.0 |

| Industry and region | Annual change in nonmetro real earnings per job:[5]<br>Recession, 1973-75 | <br>First year of recovery, 1975-76 | <br>Back-to-back recessions, 1979-82 | <br>First year of recovery, 1982-83 | <br>Recession, 1989-91 | <br>First year of recovery, 1991-92 |
|---|---|---|---|---|---|---|
| | Percent | | | | | |
| All nonfarm | -0.3 | 3.9 | -1.8 | -0.1 | -1.3 | 1.4 |
| By industry: | | | | | | |
| ASFF[1] | -3.1 | 4.2 | -12.5 | 15.3 | 5.2 | -.1 |
| Mining | 9.4 | -2.3 | -1.8 | -9.3 | 1.2 | 2.8 |
| Construction | 1.2 | 8.8 | -4.7 | .4 | -4.3 | 4.7 |
| Manufacturing | -.0 | 3.9 | -.6 | .9 | -.6 | 2.7 |
| TCPU[2] | -.6 | 6.5 | -.9 | -1.3 | -2.2 | 1.6 |
| Wholesale | .6 | .6 | -2.6 | -4.0 | -.4 | 1.2 |
| Retail | -2.7 | 2.2 | -3.6 | 4.4 | -2.5 | .5 |
| FIRE[3] | -4.6 | 13.3 | -5.7 | 9.9 | 1.0 | 1.9 |
| Services[4] | .2 | 2.8 | -1.6 | .1 | -1.9 | 2.0 |
| Government | -1.5 | 2.9 | 1.2 | 1.1 | .7 | .2 |
| By BEA region: | | | | | | |
| New England | -2.9 | 3.4 | -2.1 | 2.1 | -1.8 | 1.5 |
| Mideast | -1.4 | 2.4 | -1.8 | -.3 | -.9 | .9 |
| Great Lakes | -2.1 | 4.2 | -2.6 | .2 | -1.6 | 1.6 |
| Plains | .3 | 3.4 | -2.3 | -.0 | -1.3 | 1.5 |
| Southeast | -.2 | 4.0 | -1.4 | .3 | -1.1 | 1.8 |
| Southwest | .7 | 3.3 | -.7 | -2.2 | -1.3 | .8 |
| Rocky Mountain | .7 | 3.0 | -1.6 | -2.1 | -1.4 | 1.3 |
| Far West | 2.5 | 6.3 | -2.6 | 1.0 | -1.3 | .9 |

Note: -.0 equals a decline of less than .1 percent.

[1] Includes agricultural services, forestry, and fishing.

[2] Includes transportation, communication, and public utilities.

[3] Includes finance, insurance, and real estate.

[4] Includes health, legal, educational, recreational, business, repair, and personal services.

[5] All years' earnings converted to 1992 dollars using the implicit price deflator for personal consumption expenditures.

Source: Calculated by ERS using data from the Bureau of Economic Analysis.